MESSAGE FORM

SECRET

Videla:jah

☐ INDEX
☐ NO INDEX
☒ FILE IN CS FILE NO. 50-6-74/3

October 1964

TO: Mexico
FROM: DIRECTOR
CONF: WH 8 INFO: SE 7, PC 2, CI/OA, CI/OA, VR, FILE

☐ DEFERRED ☐ RETURN TO BRANCH ☐ FILE RID

23 Oct 64 20 39z
ROUTINE

SIG CEN

MEXI INFO CITE DIR

53937

LIEMPTY

REF: MEXI 1307 (IN 96996)*

1. HDQS AGREES IN PRINCIPLE THAT LIMITED BLDG SHOULD BE RAZED RATHER THAN REPAIRED. YOUR PARA THREE PROPOSAL OF COMMERCIAL INCOME NETTING VENTURE WOULD IMMEDIATELY MAKE THIS ASPECT OF LIEMPTY A PROPRIETARY WITH ATTENDANT SPECIAL ADMIN HANDLING. UNLESS THERE ARE OVERRIDING SECURITY AND OPS CONSIDERATIONS WE PREFER NOT DO THIS. HOWEVER IF FINAL DECISION IS TO BUILD STORE AND TWO APARTMENTS, HDQS SUGGESTS LIMITED BE MADE SEPARATE (FROM LIEMPTY) PROPRIETARY SUPPORT PROJ IN ORDER REDUCE CONFUSION OF TWO TYPES ACCOUNTING UNDER ONE PROJ.

2. HDQS STRONGLY BELIEVES PREFERABLE SOLUTION WOULD BE MERELY REBUILD HOUSE ON SAME LAND FOR OCCUPANCY BASEHOUSE KEEPERS. THIS WILL NOT INVOLVE PROPRIETARY. ALSO WOULD BE MORE SECURE FROM STANDPOINT SOV COUNTERMEASURES.

3. ALTERNATE SOLUTION IS SELL LIMITED PROPERTY TO LIMOUSINE AT FAIR MARKET VALUE DETERMINED BY INDEPENDENT APPRAISAL WITH UNDERSTANDING HE BUILD AN APARTMENT ON SECOND FLOOR WHICH HE WILL LET US ON LONG TERM LEASE.

END OF MESSAGE CONTINUED..........

RELEASING OFFICER | COORDINATING OFFICERS | AUTHENTICATING OFFICER

SECRET

GROUP 1 Excluded from automatic downgrading and declassification

FORM 1-64 1389a REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED. [redacted]

14-00000

ORIG: C. Bustos-Videla:jah
UNIT:
EXT:
DATE:

☐ INDEX
☐ NO INDEX
☐ FILE IN CS FILE NO.

MESSAGE FORM

SECRET

ROUTING: 1, 2, 3, 4, 5, 6, 7, 8

TO:

FROM: DIRECTOR

Page 2

CONF: INFO

TO INFO CITE DIR 58997

4. BLUEPRINTS FOR ANY BUILDING TO BE CONSTRUCTED WITH KUBARK FUNDS MUST RECEIVE HDQS APPROVAL. THIS APPROVAL AND PROJ AMENDMENT MUST BE OBTAINED PRIOR TO ANY COMMITMENT FUNDS. ESTIMATED TIME FOR TOTAL APPROVAL AFTER RECEIPT PLANS IS HOPEFULLY TWO MONTHS. THE HOUSE SHOULD NOT BE RAZED UNTIL APPROVAL GRANTED.

END OF MESSAGE

WH Comment: *LIMITED photo basehouse which we purchased 1958 is deteriorating and Station suggests raze building and rebuild with store on 1st floor and two apts upstairs at cost of $85,000.

WH/BF Carter (draft)
SR/C/WH (draft) L'Zayon
CI/OPS (draft) Overjorda
DDP/PG (draft) Hernandez
WH/FI/Horton (draft)
C/WH/SS/Brooks (draft)
WH/Log/McMahon (draft)

WH/COPS Reed

RAFORD W. HERBERT
AC/WHD

W. J. KAUFMAN
C/WH/1

RELEASING OFFICER — COORDINATING OFFICERS — AUTHENTICATING OFFICER

SECRET

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED.

14-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

KDFACTOR Project Amendment and Termination

FROM: H.E. Mulloy
Henry E. Mulloy, WH/1/FI

EXTENSION: 1973/4167

NO

DATE: 26 April 1973

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. C/WH/1	26	26		FY 72 FUNDS AVAILABLE
2. WH/B&F	26 Apr	27 Apr		
3. WH/LOG		27 Apr 73	K	
4. WH/SS		5-1-73		
5. WH/Plans/Erna		1 May		
6. ~~C/WH/RR~~				
7. ~~C/WH/TRS~~				
8. C/WH/FI		[illegible] 1973	✓	
9. C/WH/Plans		15 May 73		
10. A C/WHD		5/14/73		
11.				
12. MPS/BG/FI		29 MAY 1973		BY HAND
13. WH/1/FI				
14.				
15.				

FORM 3-62 610 USE PREVIOUS EDITIONS [X] SECRET | CONFIDENTIAL | INTERNAL USE ONLY | UNCLASSIFIED

SECRET

PROJECT APPROVAL NOTIFICATION

PROJECT: KDFACTOR

☐ CA
☒ FI/CI

ACTION		COMPONENT
	NEW PROJECT	DIVISION OR STAFF: WH
X	AMENDMENT: No. 2, FY 72	
	RENEWAL ☐ ANNUAL ☐ BIENNIAL	BRANCH: WH/1
X	TERMINATION	DESK: Mexico
	EXTENSION	CASE OFFICER: Henry E. Mulloy — EXTENSION: 41(.7
	OTHER	

AUTHORIZATION

APPROVING AUTHORITY	DATE APPROVED	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
ADDO	25 May 1973	$ 7,24(	19 72	$ 3.,030
PERIOD OF APPROVAL: FROM 1 July 1971 TO 30 June 1972		FINANCIAL CODE SYMBOL	2135-1009	

CONDITIONS OF APPROVAL

Amendment No. 2 to Project KDFACTOR approved in the amount of $7,24(, increasing the project's authorization from $28,844 to a revised total of $3(,030 for FY 72; termination of Project KDFACTOR approved effective 30 June 1972.

SIGNATURE

MPS/BG

DATE 29 MAY 1973

DISTRIBUTION

1	PPB		1	DIV. OR STAFF OF OFFICER	1	CASE OFFICER	1	MPS/BG

FORM 849 USE PREVIOUS EDITIONS

SECRET

GROUP 1 EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION

SECRET

2 2 MAY 1973

MEMORANDUM FOR: Associate Deputy Director for Operations

THROUGH: MPS/BG

SUBJECT: Amendment and Termination of Project KDFACTOR

1. Project KDFACTOR supported a visual and photographic surveillance operation in Mexico City targetted against the Soviet Embassy. Assets included five agents and two basehouse surveillance sites. Termination of this project, effective 30 June 1972, was the result of a security review which revealed that the VWBLANKET principal knew the basic details of the KDFACTOR operations.

2. Agent termination was accomplished without any immediate difficulties; however, continued security will depend on the terminated agents' silence. In the event there is a compromise, the risk of damage to the Station's relations with the Mexican Government should be minimized because of the compatible nature of KDFACTOR's operations.

3. The ADDO approved Amendment No. 1 to the project in the amount of $9,844 for FY 1972 to provide for the agent terminations, but an overrun of $7,246 occurred as the result of miscalculation of termination costs. This project action requests this additional sum of $7,246 to cover these expenses.

4. The FI Staff recommends approval of this amendment/termination request.

L. A. Campbell
Chief
Foreign Intelligence

Attachment:
Project

Reviewing officer:
FI/OPS - Stephen Roll

2 IMPDET CL BY 011038

SECRET

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

14-00000

SECRET
(When Filled In)

PROJECT ACTION

PROJECT CRYPTONYM: KDFACTOR

TYPE OF ACTION		X	FI/C		CA	
	NEW PROJECT APPROVAL	DIVISION: Western Hemisphere Division				
X	AMENDMENT NO. 2	FIELD STATION: Mexico City				
	RENEWAL FY 19	BRANCH: One		DESK: Mexico		
	EXTENSION	CASE OFFICER: Henry E. Mulloy (signature: H.E. Mulloy)		DATE: 26 Apr 73		
X	TERMINATION	ROOM NO.: 3E05	BUILDING: Hqs	TEL. EXT.: RED 1973 / BLACK 4167		

CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
C/WH/1	John C. Murray (signature) for	26 Apr	26 Apr		
C/WH/B&F	John T. Boeck (signature)	26 Apr 73	27 Apr		
C/WH/SS	Richard B. Wright (signature)		5-1-73		✓
C/WH/FI	Robert D. Wiecha (signature: Herbert W. Natzke)		14 May 73		
C/WH/Plans	John H. Wilson				
A C/WHD	James E. Flannery for (signature: James E. Flannery) 5-14-73				✓

CONCURRENCES OF OTHER COMPONENTS

(Type in Organizational Element and Name Below Only When Concurrence Obtained by Originating Element.)		DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
FI Staff	(signature)		22 May 73	X	
CI Staff	/s/ Frank W. Hughes		22 May 73		X
C/CCS/PRG	/s/ Gale W. Allen		21 May 73		X
C/MPS/BG	Paul A. Menzes (signature)	24 May 73	24 May 73		X

Stamp: ALL FUTURE ACTIONS ON THIS PROJECT [illegible] APPROVED BY [illegible]/DDO

APPROVAL

PERIOD FROM	PERIOD TO	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
1 July 71	30 June 72	$ 7,246	19 72	$36,090

APPROVING AUTHORITY	SIGNATURE	DATE
ADDO	William E. Nelson (signature)	25 May 1973

FORM 5-69 848 USE PREVIOUS EDITIONS

SECRET

(9)

SECRET

MEMORANDUM FOR: Associate Deputy Director
For Operations

SUBJECT : Project KDFACTOR - Amendment and Termination Request.

1. The KDFACTOR Project (until 1970 encrypted as the LIEMPTY Project) was initially approved in 1958 to provide financial and material support for visual and photographic surveillance operations targetted against the Soviet Embassy in Mexico City. In June 1972 the project supported five agents and two basehouse surveillance sites.

2. The KDFACTOR Project was approved by the ADDO in the amount of $19,000 for FY - 72 and $20,000 for FY - 73. Per DIRECTOR 285255, dated 30 June 1972, the ADDO approved Amendment NO. 1 to the KDFACTOR Project in the amount of $9,844 for FY - 72 to provide for costs of agent terminations.

3. The decision to terminate all agents and facilities under the KDFACTOR Project was based on a security review of the project activities which indicated that the VWBLANKET principal knew the basic details of the KDFACTOR operations, including the target, the location of the surveillance sites, and probably the true names and former cryptonyms of the agents covered by the project.

4. The cost of terminating the agents under the KDFACTOR Project amounted to $15,573; the cost of closing down the two basehouses under the project was $1,412. The total amount charged to the KDFACTOR Project in FY 72 was $36,090 which is $7,246 over the approved authorization of $28,844. The overage was incurred in terminating the agents and facilities associated with the KDFACTOR Project. Although Amendment No. 1 to the project was approved in the amount of $9,844 to cover the cost of terminating the agents in the

26 Apr 73

SECRET

E 2 IMPDET CL BY 0352

project, the actual payments made by Mexico City Station per the terms of each Memorandum of Oral Commitment (MOC) and in accordance with Mexican law and custom exceeded the estimate for termination costs made by Headquarters at the time the Amendment was requested. Termination payments made to each agent are as follows:

KDFACTOR-2	(Recruited 1956)	$8,160
KDFACTOR-5	(Recruited 1956)	2,366
KDFACTOR-6	(Recruited 1956)	2,830
KDFACTOR-8	(Recruited 1965)	649
KDFACTOR-9	(Recruited 1966)	1,568

The long tenure of three of the terminated agents, the relatively high monthly salary of KDFACTOR-2 ($440) plus the computation of the termination payments in accordance with Mexican law and custom were the primary reasons that the final agent termination costs amounted to $15,573.

5. All agent terminations were accomplished in an amicable manner. No visible security risks were apparent at the time of the terminations although any one, or all, of the terminated agents may at some future date decide to divulge to an interested party the details of the KDFACTOR Project operations. KDFACTOR-2, KDFACTOR-5, and KDFACTOR-6 have worked in photo surveillance operations for the Station since 1956 and, therefore, obviously have considerable knowledge of targets, former safesites, personnel, and modus operandi of the Station. However, since the KDFACTOR Project was not concerned with incompatible operations or targets, we believe the risks of damage to Station relations with the Mexican Government in the event of exposure of the KDFACTOR Project operations by a terminated agent are within acceptable limits.

6. It is requested that the KDFACTOR Project be amended to provide the sum of $7,246 for FY - 72 to cover the costs of terminating five agents and two basehouse surveillance sites under this project.

7. It is also requested that the termination of the KDFACTOR Project be approved effective 30 June 1972.

James E. Flannery
AC/WHD

14-00000

SECRET
(When Filled In)

PROJECT ACTION

PROJECT CRYPTONYM: KDFACTOR

Proj

TYPE OF ACTION	X	FI/C		CA	
	NEW PROJECT APPROVAL	DIVISION: Western Hemisphere Division			
X	AMENDMENT NO. 2	FIELD STATION: Mexico City			
	RENEWAL FY 19	BRANCH: One	DESK: Mexico		
	EXTENSION	CASE OFFICER: Henry E. Mulloy	DATE: 26 Apr 73		
X	TERMINATION	ROOM NO.: 3E05	BUILDING: Hqs	TEL. EXT.: RED 1973	BLACK 4167

CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
C/WH/1	John C. Murray				
C/WH/B&F	John T. Boeck				
C/WH/SS	Richard B. Wright				
C/WH/FI	Robert D. Wiecha				
C/WH/Plans	John H. Wilson				
C/WHD	Theodore G. Shackley				

CONCURRENCES OF OTHER COMPONENTS

(Type in Organizational Element and Name Below Only When Concurrence Obtained by Originating Element.)		DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO

APPROVAL

PERIOD FROM	PERIOD TO	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
1 July 71	30 June 72	7,240	19 72	$ 36,090

APPROVING AUTHORITY	SIGNATURE	DATE
ADDO		

FORM 5-69 848 USE PREVIOUS EDITIONS

SECRET

(5)

14-00000

SECRET

MEMORANDUM FOR: Associate Deputy Director
For Operations

SUBJECT : Project KDFACTOR - Amendment and Termination Request.

1. The KDFACTOR Project (until 1970 encrypted as the LIEMPTY Project) was initially approved in 1958 to provide financial and materiel support for visual and photographic surveillance operations targetted against the Soviet Embassy in Mexico City. In June 1972 the project supported five agents and two basehouse surveillance sites.

2. The KDFACTOR Project was approved by the ADDO in the amount of $19,000 for FY-72 and $20,000 for FY-73. Per DIRECTOR 285255, dated 30 June 1972, the ADDO approved Amendment No. 1 to the KDFACTOR Project in the amount of $9,844 for FY-72 to provide for costs of agent terminations.

3. The decision to terminate all agents and facilities under the KDFACTOR Project was based on a security review of the project activities which indicated that the VWBLANKET principal knew the basic details of the KDFACTOR operations, including the target, the location of the surveillance sites, and probably the true names and former cryptonyms of the agents covered by the project.

4. The costs of terminating all the agents in the KDFACTOR Project amounted to $15,573.00 which was considerably more than had been initially estimated when Amendment No. 1 for FY-72 was requested and approved. The total amount charged to the KDFACTOR Project in FY-72 was $36,090 which is $7,246 over the project's authorization of $28,844. The overage was incurred in terminating agents and facilities associated with the KDFACTOR Project; the effective date of all terminations was 30 June 1972.

SECRET

E 2 IMPDET CL BY 055372

5. All agent terminations were accomplished in an amicable manner. No visible security risks were apparent at the time of the terminations although any one, or all of the terminationed agents may at some future date decide to divulge to an interested party the details of the KDFACTOR Project operations. KDFACTOR-2 and KDFACTOR-5 have worked in photo surveillance operations for the Station since 1957 and, therefore, obviously have considerable knowledge of targets, former safesites, personnel, and modus operandi of the Station. However, since the KDFACTOR Project was not concerned with incompatible operations or targets, we believe the risks of damage to Station relations with the Mexican Government in the event of exposure of the KDFACTOR Project operations by a terminated agent are within acceptable limits.

6. It is requested that the KDFACTOR Project be amended to provide the sum of $7,246 for FY-72 to cover the costs of terminating five agents and two basehouse surveillance sites covered by this project.

7. It is also requested that the termination of the KDFACTOR Project be approved effective 30 June 1972.

Theodore G. Shackley
Chief,Western Hemisphere Division

KDFACTOR - Mexico City, Mexico -- Photographic Surveillance Team Support -- FY 1972, Cost $19,000 and FY 1973, Cost $20,000

Fiscal Year	Approved	Obligated
1971	$23,635	$27,586

Changes:

1. The processing of photographs obtained through this project now is performed inside the Station. KDFACTOR-1, who formerly processed the take in an outside safehouse, was terminated amicably in early March 1971. Security and efficiency have been increased by this change. KDFACTOR-1 was terminated in 1970, but the termination payments were made during FY 1971 causing an increase in that years obligations.

2. Howard T. BAGAUS handled the administration of this project to early April 1971 when project responsibility reverted from the Operations Support Section to the REDTOP Section. At that time Timothy H. ARCHBOLD assumed the inside administrative supervision, and agent meetings were turned over to the outside case officer Bruce H. FERNALD. When ARCHBOLD departed PCS on 7 June 1971, Oliver J. MANKUNAS assumed responsibility for this project, including agent meetings.

Accomplishments:

1. This project has provided continuous daily photographic and visual coverage of personnel and vehicles entering or leaving the Soviet Embassy. A total of 530 rolls of film were produced during the reporting period. U.S. citizens, visitors, and TDY personnel are given special attention. Identifications of license plates and automobile descriptions as well as drivers and their companions are identified under this project. Additionally, attendance sheets are maintained to establish who is at the Embassy on any given day and hour.

These photographs and reports have contributed operational support to the Station's Soviet operations which is not attainable elsewhere. For example, whenever the Soviets change all their license numbers the Station is able to compile a new, complete roster within a matter of weeks.

Costs:

1. General: $19,000 is requested for FY 1972 and $20,000 is requested for FY 1973. It is also requested that the Project be amended for FY 1971 in the amount of $4,260 to provide for the termination of KDFACTOR-1 and KDFACTOR-7.

2. Source of Funds: Project KDFACTOR is included in the Western Hemisphere Division's Operational Program in the amount of $23,735 for FY 1972 and $24,182 for FY 1973.

3. Project Budget:

	FY 1970 Estimated Obligations	FY 72	FY 73	FY 74
Salaries				
KDFACTOR-2	$ 5,280	$ 5,280	$ 5,808	$ 5,808
KDFACTOR-5	1,728	1,728	1,901	1,901
KDFACTOR-6	2,112	2,112	2,323	2,323
KDFACTOR-8	768	768	845	845
KDFACTOR-9	1,968	1,968	2,165	2,165
KDFACTOR-1	4,400	-0-	-0-	-0-
KDFACTOR-7	2,500	-0-	-0-	-0-
Bonuses	1,374	1,088	1,087	1,087
	$20,130	$12,944	$14,129	$14,129
Base houses				
Rents	$ 6,022	$ 4,350	$ 4,240	$ 4,240
Utilities	400	750	800	800
Maintenance	200	500	500	500
	$ 6,622	$ 5,600	$ 5,540	$ 5,540

Misc Expenses				
Ops entertainment	$ 165	$ 300	$ 100	$ 100
Auto maintenance	80	100	100	100
Ops expenses	590	56	131	131
	$ 835	$ 456	$ 331	$ 331
Total Expenses	$27,587	$19,000	$20,000	$20,000

4. Foreign Currency: There is no special need for foreign funds. No non-JKLANCE funds are used.

5. Commitments: Christmas bonuses are provided in the FY 72 and FY 73 budgets.

6. Funding: Funds are hand-carried from the Station by the case officer and transferred during clandestine meetings. Receipts are obtained for all disbursements according to JKLANCE regulations.

7. Annexes: None.

14-00000

KDFACTOR - Mexico City, Mexico -- Photographic Surveillance Team Support -- FY 1972, Cost $19,000 and FY 1973, Cost $20,000

Fiscal Year	Approved	Obligated
1971	$23,635	$27,586

Changes:

1. The processing of photographs obtained through this project now is performed inside the Station. KDFACTOR-1, who formerly processed the take in an outside safehouse, was terminated amicably in early March 1971. Security and efficiency have been increased by this change. KDFACTOR-1 was terminated in 1970, but the termination payments were made during FY 1971 causing an increase in that years obligations.

2. Howard T. BAGAUS handled the administration of this project to early April 1971 when project responsibility reverted from the Operations Support Section to the REDTOP Section. At that time Timothy H. ARCHBOLD assumed the inside administrative supervision, and agent meetings were turned over to the outside case officer Bruce H. FERNALD. When ARCHBOLD departed PCS on 7 June 1971, Oliver J. MANKUNAS assumed responsibility for this project, including agent meetings.

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These photographs and reports have contributed operational support to the Station's Soviet operations which is not attainable elsewhere. For example, whenever the Soviets change all their license numbers the Station is able to compile a new, complete roster within a matter of weeks.

Costs:

1. General: $19,000 is requested for FY 1972 and $20,000 is requested for FY 1973. It is also requested that the Project be amended for FY 1971 in the amount of $4,260 to provide for the termination of KDFACTOR-1 and KDFACTOR-7.

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	FY 1970 Estimated Obligations	FY 72	FY 73	FY 74
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KDFACTOR-9	1,968	1,968	2,165	2,165
KDFACTOR-1	4,400	-0-	-0-	-0-
KDFACTOR-7	2,500	-0-	-0-	-0-
Bonuses	1,374	1,088	1,087	1,087
	$20,130	$12,944	$14,129	$14,129
Base houses				
Rents	$ 6,022	$ 4,350	$ 4,240	$ 4,240
Utilities	400	750	800	800
Maintenance	200	500	500	500
	$ 6,622	$ 5,600	$ 5,540	$ 5,540

Misc Expenses				
Ops entertainment	$ 165	$ 300	$ 100	$ 100
Auto maintenance	80	100	100	100
Ops expenses	590	56	131	131
	$ 835	$ 456	$ 331	$ 331
Total Expenses	$27,587	$19,000	$20,000	$20,000

4. Foreign Currency: There is no special need for foreign funds. No non-JKLANCE funds are used.

5. Commitments: Christmas bonuses are provided in the FY 72 and FY 73 budgets.

6. Funding: Funds are hand-carried from the Station by the case officer and transferred during clandestine meetings. Receipts are obtained for all disbursements according to JKLANCE regulations.

7. Annexes: None.

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)
KDFACTOR Project Renewal

FROM:	EXTENSION	NO.
Fred Kravcov FK WH/1, 3E05	4167	DATE 28 October 1971

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. C/WH/1/FI/CI	28 Oct		[illegible]	FY 71 FUNDS AVAILABLE
2. C/WH/1		29/10/71	[illegible]	FY 72 FUNDS AVAILABLE
3. C/WH/B&F	29 Oct 71	1 Nov	[illegible]	FY 73 funds will be made available
4. C/WH/SS		1 Nov	[illegible]	
5. ~~SB/X/WH~~ C/WH/FI	3/11/71 15 Nov		[illegible]	See no problem on above.
6. C/WH/Plans		11/19/71		
7. [redacted]				
8. C/WHD				
9. WH/FI	16	71	DM	
10.				
11. M/S/BG	19 NOV 1971	15 DEC 1971	[illegible]	
12.				
13. WH/FI	16 DEC 1971		DM	
14. C/WH/1			[illegible]	
15. C/WH/1/FI/CI			[illegible]	Please advise field requesting action suggested by ADDP

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14-00000

SECRET

PROJECT APPROVAL NOTIFICATION

PROJECT KDFACTOR

[ ] CA
[X] PP/CI

ACTION		COMPONENT	
	NEW PROJECT	DIVISION OR STAFF	WH
X	AMENDMENT No. 1, FY 72	BRANCH	WH/1
	RENEWAL [ ] ANNUAL [ ] BIENNIAL		
	TERMINATION	DESK	Mexico
	EXTENSION	CASE OFFICER: J. Murray	EXTENSION: 6955
	OTHER		

AUTHORIZATION

APPROVING AUTHORITY	DATE APPROVED	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
ADDP	30 June 1972	$ 9,844	72	$ 28,844
PERIOD OF APPROVAL: FROM 1 July 1972 TO 30 June 1972		FINANCIAL CODE SYMBOL	2135-1009	

CONDITIONS OF APPROVAL

Amendment No. 1 to Project KDFACTOR approved, as per DIR 285255, in the amount of $9,844, increasing the project's authorization from $19,000 to a revised total of $28,844 for FY 72.

SIGNATURE

MPS/BG

DATE 25 JUL

DISTRIBUTION

1	PPB	1	DIV. OR STAFF OF OFFICER	1	CASE OFFICER	3	MPS/BG

FORM 11-70 849 USE PREVIOUS EDITIONS

SECRET

SECRET

PROJECT APPROVAL NOTIFICATION

PROJECT: KDFACTOR

[ ] CA
[X] FI/CI

ACTION		COMPONENT	
	NEW PROJECT	DIVISION OR STAFF	WH
	AMENDMENT		
X	RENEWAL [ ] ANNUAL [X] BIENNIAL	BRANCH	WH/1
	TERMINATION	DESK	Mexico
	EXTENSION	CASE OFFICER: Fred Kravcov	EXTENSION: 4167
	OTHER		

AUTHORIZATION

APPROVING AUTHORITY	DATE APPROVED	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
ADDP	10 December 1971	$ 39,000	FY 72	$ 19,000
			FY 73	$ 20,000

PERIOD OF APPROVAL: FROM 1 July 1971 TO 30 June 1973

FINANCIAL CODE SYMBOL: 2135-1009

CONDITIONS OF APPROVAL

SIGNATURE MPS/BG: (Signed) [illegible]

DATE: 1[illegible]

DISTRIBUTION

1	PPB	1	DIV. OR STAFF OF OFFICER	1	CASE OFFICER	3	MPS/BG

FORM 11-70 849 USE PREVIOUS EDITIONS

SECRET

GROUP 1 EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION

(5)

14-00000

SECRET
(When Filled In)

FUNDING

NO. 1
(DOCUMENT # FOR THIS PROJECT)

DATE 17 Dec 71

NOTIFICATION OF PROJECT APPROVAL ACTION

TO: CHIEF OF STATION (~~BASE~~) Mexico City

ATTENTION: FINANCE OFFICER

INFO:

PROJECT KDPAPTOR PAN 2135-1009

TYPE OF ACTION PERIOD OF ACTION 15 Jul 71 TO 30 Jun 73 AMOUNT $ 39,000

TYPE OF ACTION			FY-72	FY-73
NEW		PREVIOUS ACTION IN THIS FISCAL YEAR		
RENEWAL	X	TOTAL FISCAL YEAR APPROVAL	19,000	20,000
EXTENSION				
TERMINATION		FUNDS AVAILABLE FOR HQS USE	—	—
AMENDMENT		FUNDS AVAILABLE FOR FIELD USE	19,000	20,000
OTHER				

CHIEF, WH/B&F

HQS USE ONLY

PROCESSED	APPROVED	TYPE OF ACTION	PERIOD	AMOUNT

SECRET
(When Filled In)

14-00000

SECRET

PROJECT APPROVAL NOTIFICATION

PROJECT: KDFACTOR	[ ] CA [X] FI/CI

ACTION		COMPONENT	
	NEW PROJECT	DIVISION OR STAFF	WH
X	AMENDMENT No. 1, FY 71	BRANCH	WH/1
	RENEWAL [ ] ANNUAL [ ] BIENNIAL	DESK	Mexico
	TERMINATION	CASE OFFICER: Fred Kravcov	EXTENSION: 4167
	EXTENSION		
	OTHER		

AUTHORIZATION

APPROVING AUTHORITY	DATE APPROVED	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
ADDP	10 December 1971	$ 4,260	19 71	$ 27,890
PERIOD OF APPROVAL: FROM 1 July 1970 TO 30 June 1971		FINANCIAL CODE SYMBOL: 1135-1009	19	$

CONDITIONS OF APPROVAL

Amendment No. 1 to Project KDFACTOR approved in the amount of $4,260, increasing the project's FY 71 authorization to a revised total of $27,890.

SIGNATURE

MPS/BG

DATE

DISTRIBUTION

1	CPB		1	DIV. OR STAFF BF OFFICER	1	CASE OFFICER	3 MPS/BG

FORM 11-70 849 USE PREVIOUS EDITIONS

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GROUP 1 EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION

20 MAY 1970

MEMORANDUM FOR: Chief, Western Hemisphere Division

SUBJECT : FI Project LIEMPTY
FY 1970 Amendment
FY 1971 Renewal

REFERENCE : C/FI Memorandum for ADD/P, dated 19 May 1970, subject: "Renewal of Project LIEMPTY."

1. On [illegible] May [illegible] approved [illegible] action for the [illegible] requested [illegible] understanding that the [illegible] on payments to [illegible] and his wife will be on a monthly basis as [illegible] in paragraph 4 of reference.

2. Messrs. John [illegible] and [illegible] M. [illegible] attended the project [illegible].

[illegible] Meyer, Jr.
Deputy Director for Plans

SECRET

ADDP Comment of 26 May 70

SECRET

FAN ACCOUNT TREND REPORT
30 NOV 1972

FAN NUMBER: 35-1009 TITLE: KOFACTOR   OFFICE: WESTERN HEMIS DIV

BUDGET AREA:
BUDGET COUNTRY: MEXICO

CATEGORY: COLLECTION INTELL
SUBCATEGORY: CLANDESTINE

ELEMENT: CLOSE OPS SUPPORT
SUBELEMENT:

	1972	1973				1974	1975
	ACTUAL	OPERATING	ACTUAL	% OBLG	BAL REMAIN	ESTIMATE	ESTIMATE
RENT COMM & UTIL							
2353 SAFEHOUSES	5,220	5,540	1,056	19.1%	4,484	5,540	
TOTAL	5,220	5,540	1,056	19.1%	4,484	5,540	
OTHER SERVICES							
2553 AGENT B&G	16,626	1,000	695	69.5%	305	1,000	
2554 AGENT C&R	12,404	3,780			3,780	12,780	
2557 OPEXP S&M	203	230			230	230	
2559 OPEXP OTHR	62	100			100	100	
TOTAL	29,295	5,110	695	13.6%	4,415	14,110	
SUPPLIES							
2608 PHOTO		350			350	350	
2699 PROP ENC	350						
TOTAL	350	350			350	350	
TOTAL FAN 35-1009	34,865	11,000	1,751	15.9%	9,249	20,000	

REPORT-LA   SECRET

8 DEC 1971

MEMORANDUM FOR: Assistant Deputy Director for Plans

THROUGH: MPS/BG

SUBJECT: Renewal of Project KDFACTOR
in 1972 for $19,000
in 1973 for $20,000

1. This project covers photo and visual surveillance of the Soviet Embassy in Mexico City. One observation post covers the front gate of the building, and another covers the rear gate and walled compound. Five salaried agents man the sites, four in front and one in back. An official cover case officer collects the take (rolls of film and logs of visitors) once a week by car meetings with the OP keepers. The films are developed and printed inside the Station.

2. The production from this operation has consistently been rated high by the Bureau (which is the principal customer in the field), by other Government agencies and by SB Division. Photosurveillance of a Soviet Embassy might not be a high priority target in some countries. But the fact that the Soviet Embassy in Mexico is a large and active one and the fact that its primary target is operations against the United States make our effort important and valuable. This is the operation that produced the photographs of Lee Harvey Oswald visiting the Soviet Embassy in 1962.

This is in error, [initials] D/IG, 17 Apr 77

3. This seemingly straightforward operation has not always been so uncomplicated. Both sites have been in operation and served by the same OP keepers for more than a dozen years. At one of the sites the OP keeper's wife and children take turns manning the equipment. A now-terminated principal agent was divorced several years ago from a wife who knew a lot about the operation. Some desk officers believe that the medical doctor who for years was supposed to be developing the films was simply too busy to do so and that the work was probably done by his uncleared secretary. Family relationships keep cropping up among supposedly compartmented agents. All of this is in the files but not in any one place. We

believe it is time for the Station to make an updated security review of the operation with particular attention to the knowledgeability of terminated agents and their families. We also believe that the Station should now address itself to the contingency that the present sites or personnel will be blown and to investigate alternative means of continuing their valuable coverage.

4. The ADDP last approved this project in May 1970 with the condition that termination payments to the principal agent and his divorced wife be made on a monthly basis. This condition has been met.

5. The budgets requested for the next two years are simple and straightforward. Salaries and the traditional bonuses for the five paid agents come to about $13,000. Rent and utilities on the two observation posts come to $5,600. The small balance is for operational expenses. This project action also requests amendment of the FY 1971 budget by $4,260 to cover that part of the cost of termination bonuses to the principal agent and his divorced wife which could not be absorbed by the project. The total of the termination bonuses was $12,500.

6. This is a valuable and productive project which helps fulfill a Priority A-1 Station requirement. The FI Staff recommends approval.

L. A. Campbell
Chief
Foreign Intelligence

Attachment
Project

SECRET

PROJECT KDFACTOR

MPS/BG/FI/AFKatein:dr (13 DEC 71)

Distribution:

O & 1 - Addressee

1 - ADD/P

1 - WH/1

1 - FI/OPS

1 - CI/OPS

1 - C/CCS/PRG

1 - MPS/BG/FI

SECRET

SECRET

14 [illegible]

DD/P 1-5899

MEMORANDUM FOR: Chief, Western Hemisphere Division

SUBJECT: FI Project KDFACTOR
FY 1971 Amendment No. 1
Biennial Renewal
Proposal for Fiscal
Years 1972 and 1973

1. On 10 December 1971 I approved subject actions in the amounts specified below:

a. FY 1971 Amendment No. 1 - For $4,260, increasing the project's FY 1971 funds authorization (from $23,630) to $[illegible]7,8[illegible]0.

b. FY 1972 Renewal - For $19,000 *

c. FY 1973 Renewal - For $20,000

2. I ask that the Station conduct an updated security review of this operation, giving particular attention to the knowledgeability of terminated agents and their families as discussed in paragraph 3 of referent memorandum.

3. Also, I ask that you provide me (via MPS/BG) with a memorandum report summarizing the results of the above (paragraph 2) security review by 31 March 1972.

Cord Meyer Jr.

Cord Meyer, Jr.
Assistant Deputy Director for Plans

* Amended by DIR-255255 in amount of $9,544, new Total $28,544.

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(When Filled In)

PROJECT ACTION	PROJECT CRYPTONYM: KDFACTOR

TYPE OF ACTION		X F.I./C		CA
	NEW PROJECT APPROVAL	DIVISION: Western Hemisphere Division		
X	AMENDMENT NO. 1 FY-71	FIELD STATION: Mexico City		
X	RENEWAL FY 19 72 & 73	BRANCH: One	DESK:	
	EXTENSION	CASE OFFICER: Fred Kravcov		DATE: 28 Oct 71
	TERMINATION	ROOM NO.: 3E05	BUILDING: Hqs	TEL. EXT.: RED 1973 BLACK 4167

CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
C/WH/1	John C. Murray	29/10/71	29/10/71		
C/WH/B&F	Lunsford O. Healy	29 Oct 71	1 Nov 71		
C/WH/SS	Richard B. Wright		1 Nov 71		
C/WH/FI	Richard S. Welch		1/11/71		
C/WH/Plans	John R. Cassidy		11/1/71		
C/WHD	William V. Broe for James E. Flannery		19 Nov 1971		

CONCURRENCES OF OTHER COMPONENTS

(Type in Organizational Element and Name Below Only When Concurrence Obtained by Originating Element.)		DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
SB/X/WH	Haviland Smith		3/11/71		✓
FI Staff	/s/ Arthur C. Close		9 Dec 71	x	
CI Staff	Frank Hughes /s/		8 Dec 71		x
CCS/PRG	Charles Beckman /s/		26 Nov 71		x
*With the conditions as stated in my memorandum dated 14 December 1971 (DD/P 1-5899)					
C/MPS/BG	Paul A. Meyer	9 Dec 71	9 Dec 71		

APPROVAL

PERIOD FROM	TO	AMT. THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
1 JUly 1970	30 June 1971	$ 4,260	19 71	$ 27,888
1 July 71	30 June 72	$ 19,000	19 72	$ 19,000
1 July 72	30 June 73	20,000	19 73	$ 20,000

APPROVING AUTHORITY	SIGNATURE	DATE
A/DDP	Cord Meyer Jr. *	10 Dec 71

FORM 848 USE PREVIOUS EDITIONS 5-69 SECRET (5)

14-00000

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KDFACTOR - Mexico City, Mexico -- Photographic Surveillance Team Support -- FY 1972, Cost $19,000 and FY 1973, Cost $20,000

Fiscal Year	Approved	Obligated
1971	$23,635	$27,586

Changes:

1. The processing of photographs obtained through this project now is performed inside the Station. KDFACTOR-1, who formerly processed the take in an outside safehouse, was terminated amicably in early March 1971. Security and efficiency have been increased by this change. KDFACTOR-7 was terminated in 1970, but the termination payments were made during FY 1971 causing an increase in that years obligations.

2. Howard T. BAGAUS handled the administration of this project to early April 1971 when project responsibility reverted from the Operations Support Section to the REDTOP Section. At that time Timothy H. ARCHBOLD assumed the inside administrative supervision, and agent meetings were turned over to the outside case officer Bruce H. FERNALD. When ARCHBOLD departed PCS on 7 June 1971, Oliver J. MANKUNAS assumed responsibility for this project, including agent meetings.

Accomplishments:

1. This project has provided continuous daily photographic and visual coverage of personnel and vehicles entering or leaving the Soviet Embassy. A total of 530 rolls of film were produced during the reporting period. U.S. citizens, visitors, and TDY personnel are given special attention. Identifications of license plates and automobile descriptions as well as drivers and their companions are identified under this project. Additionally, attendance sheets are maintained to establish who is at the Embassy on any given day and hour.

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These photographs and reports have contributed operational support to the Station's Soviet operations which is not attainable elsewhere. For example, whenever the Soviets change all their license numbers the Station is able to compile a new, complete roster within a matter of weeks.

Costs:

1. General: $19,000 is requested for FY 1972 and $20,000 is requested for FY 1973. It is also requested that the Project be amended for FY 1971 in the amount of $4,260 to provide for the termination of KDFACTOR-1 and KDFACTOR-7.

2. Source of Funds: Project KDFACTOR is included in the Western Hemisphere Division's Operational Program in the amount of $23,735 for FY 1972 and $24,182 for FY 1973.

3. Project Budget:

	FY 1971 Estimated Obligations	FY 72	FY 73	FY 74
Salaries				
KDFACTOR-2	$ 5,280	$ 5,280	$ 5,808	$ 5,808
KDFACTOR-5	1,728	1,728	1,901	1,901
KDFACTOR-6	2,112	2,112	2,323	2,323
KDFACTOR-8	768	768	845	845
KDFACTOR-9	1,968	1,968	2,165	2,165
KDFACTOR-1	4,400	-0-	-0-	-0-
KDFACTOR-7	2,500	-0-	-0-	-0-
Bonuses	1,374	1,088	1,087	1,087
	$20,130	$12,944	$14,129	$14,129
Base houses				
Rents	$ 6,022	$ 4,350	$ 4,240	$ 4,240
Utilities	400	750	800	800
Maintenance	200	500	500	500
	$ 6,622	$ 5,600	$ 5,540	$ 5,540

Misc Expenses				
Ops entertainment	$ 165	$ 300	$ 100	$ 100
Auto maintenance	80	100	100	100
Ops expenses	590	56	131	131
	$ 835	$ 456	$ 331	$ 331
Total Expenses	$27,587	$19,000	$20,000	$20,000

4. Foreign Currency: There is no special need for foreign funds. No non-JKLANCE funds are used.

5. Commitments: Christmas bonuses are provided in the FY 72 and FY 73 budgets.

6. Funding: Funds are hand-carried from the Station by the case officer and transferred during clandestine meetings. Receipts are obtained for all disbursements according to JKLANCE regulations.

7. Annexes: None.

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PREVIOUS PROJECT ACTION

14-00000

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DD/P [illegible]

26 MAY 1970

MEMORANDUM FOR: Chief, Western Hemisphere Division

SUBJECT : FI Project LIEMPTY
FY 1970 Amendment
FY 1971 Renewal

REFERENCE : C/FI Memorandum for ADD/P, dated 19 May 1970, Subject: "Renewal of Project LIEMPTY."

1. On 22 May 1970 I approved subject action for the amounts requested with the understanding that the termination payments to GERENDE and his wife will be on a monthly basis as described in paragraph 4 of referent.

2. Messrs John C. Murray and Charles M. Bounds attended the project meeting.

Cord Meyer, Jr.
Cord Meyer, Jr.
Assistant Deputy Director for Plans

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MPS/BG/FI/ALKatein/sw

Distribution:

O & 1 - Addressee

1 - ADD/P

1 - FI/OPS

1 - CI/OPS

1 - WH/1

1 - SB/X/WH

1 - CCS/PRG

1 - DDP/NSP

1 - MPS/BG

14-00000

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(When Filled In)

PROJECT ACTION

PROJECT CRYPTONYM: LIEMPTY

TYPE OF ACTION		X	FI-C		CA
	NEW PROJECT APPROVAL	DIVISION: Western Hemisphere Division			
1	AMENDMENT NO. FY 70	FIELD STATION: Mexico City			
X	RENEWAL FY 19 71	BRANCH: One		DESK	
	EXTENSION	CASE OFFICER: Jack Barry		DATE: 10 April 70	
	TERMINATION	ROOM NO.: 3E05	BUILDING: Hqs.	TEL. EXT.: RED 1973	BLACK 4167

CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
C/WH/1	per John C. Murray [signature]	10 Apr	10 Apr		x
C/WH/B&F	Elliotte C. Want [signature]	10 APR 1970	4/13		✓
C/WH/SS	Richard B. Wright [signature]		4-13-70		
C/WH/FI	Richard S. Welch [signature]		20/4/70		
C/WH/Plans	Robert B. Moore [signature]	21 APR 1970	4/21		
C/WHD	William V. Broe [signature]	21 APR 1970	21 APR 1970		

CONCURRENCES OF OTHER COMPONENTS

(Type in Organizational Element and Name Below Only When Concurrence Obtained by Originating Element.)

ORGANIZATIONAL ELEMENT	NAME	DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
SB/WH	Lee C. Plestdes [signature]	14/4	14/4		x
FI Staff	[signature]	19 MAY 1970	19 MAY 1970	✓	
CI Staff	/S/ Frank W. Hughes		11 May 70		
CCS/PRG	/S/ Charles Beckman		8 May 70		
DDP/NSP	/S/ Gerard Droller		24/4/70		
C/MPS/BG	[signature]		20 May 70		

APPROVAL

PERIOD		AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
1 July 1969	30 June 1970	$ 10,498	1970	$ 49,468
1 July 1970	30 June 1971	$ 23,635	1971	$ 23,635

APPROVING AUTHORITY	SIGNATURE	DATE
A/DDP	[signature]	22 May 70

FORM 5-68 848 USE PREVIOUS EDITIONS

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(5)

LIEMPTY - Mexico City, Mexico -- Photographic Surveillance Team Support -- FY 1971, Cost $23,635.

Fiscal Year	Approved	Obligated
1966	$43,145	$36,294
1967	45,000	42,082
1968	42,185	42,158
1969	43,520	41,416
1970	38,970	49,468 (Projected)

Purpose:

Project LIEMPTY supports a visual and photographic surveillance of the Soviet Embassy in Mexico City. The aim is to identify and cover the movements of persons entering and leaving the Embassy, including Soviets and visitors. The intelligence collected through such activity contributes to the Station's overall Soviet operations program, mainly in support of Priority A-1, but to some extent, Priority A-4, of the Operating Directive for Mexico.

Description:

1. The Project operates through two fixed basehouse surveillance posts, a small photographic laboratory, a principal agent, and six sub-agents. A team of four sub-agents, operating from a basehouse, maintains visual and photographic surveillance of the Soviet Embassy front entrance. One sub-agent, operating from a second basehouse, covers an area in back of the Embassy, where Soviet officials meet, play and work. These units photograph all persons moving in or out of the specific target areas. They also maintain logs and provide written reports on observed activity. All of this material is passed to the principal agent, who passes the film to another sub-agent for processing at a laboratory equipped for that purpose. After the film is processed and printed, the principal agent passes the finished product, plus written reports and logs, to the Station case officer. A brief description of each unit, each agent and his role in the operation follows.

2. LILYRIC (MEXI-132) is a basehouse located near the front of the Soviet Embassy. This house has been in operation since October 1966. It is rented through LIMOUSINE (201-5762), a cleared American businessman. He is the ostensible owner of record and, as the landlord, collects rent from the tenants and then passes it to the Station case officer. LIEMPTY-13 and his family (see paragraph 3 below) live in the LILYRIC house and conduct their surveillance operation from it during daylight hours (0800-1800).

3. LIEMPTY-13 (201-119961) is the key member of the LILYRIC basehouse team. He maintains contact with the principal agent and does some photographic work. However, because LIEMPTY-13 is employed outside as an industrial engineer, he is unable to spend much time operating the LILYRIC photographic equipment, and most of this work is done by his wife, LIEMPTY-14, and their sons, LIEMPTY-26 and LIEMPTY-27 (see paragraphs 4, 5 and 6 below).

4. LIEMPTY-14 (201-167567) is the main photographer and observer at the LILYRIC basehouse. She works closely with her husband, LIEMPTY-13, in running the operation, including the preparation of observation reports and logs. She also does the LILYRIC housekeeping, as any housewife would do.

5. LIEMPTY-26 (201-762111), the son of LIEMPTY-13 and LIEMPTY-14, has been a student at the Mexican Technological Institute. In his spare time he operates the LILYRIC photographic equipment, and helps LIEMPTY-14 in maintaining the arrival and departure logs of target personalities.

6. LIEMPTY-27 (201-762112), another son of LIEMPTY-13 and LIEMPTY-14, has been a prep school student. He assists in operating the LILYRIC photographic equipment and transcribes notes into a finished typewritten log of events.

7. LICALLA (MEXI-03) is a basehouse located behind the Soviet Embassy. It has been in operation since 1957. The building, a four-unit affair, collectively known as LIMUST, is Agency owned. It was purchased through LIMOUSINE in September 1957, and the property is in his name. The LICALLA site is occupied by LIEMPTY-9 (see paragraph 8 below) and he runs the surveillance operation from it.

8. LIEMPTY-9 (201-136454) is the only agent operating from the LICALLA site. He does all the photography, maintains logs and prepares observation reports. He also maintains contact with the principal agent. LIEMPTY-9 is a part-time insurance salesman and is self-employed in the accounting business, which he conducts at the LICALLA site.

9. Raymond H. GERENDE (201-119523) has been the principal agent for this project. He is a Mexican national contract agent who is self-employed as an English teacher and also works as a salesman for a light bulb manufacturer. GERENDE has been mainly responsible for maintaining contact with the LIEMPTY agents, passing instructions to them, and collecting the product for passing to the Station case officer. He has also paid them and handled all other administrative matters. He is being terminated by the end of FY 1970 for security reasons (see <u>Problems</u>, paragraph 1).

10. Bruce H. FERNALD (P) (201-008189) replaced GERENDE (see paragraph 9 above) as the project's principal agent in early December 1969. FERNALD, a U.S. citizen born in June 1915, operates under non-official cover as a retired immigrant. He is responsible for maintaining contact with the LIEMPTY agents and collecting the product for passing to the Station case officer. He also handles administrative matters, including agent salary payments. FERNALD is financially covered under Project AEMAGNIFY.

11. The LIEMPTY photographic laboratory (MEXI-137) is located in a room at GERENDE's residence. It is equipped to process the photographs taken by the LIEMPTY surveillance units. The work is done by LIEMPTY-4. (See paragraph 12 below). Since GERENDE will be terminated by the end of FY 1970, the Station is taking steps to establish a new LIEMPTY photographic laboratory at a new safesite.

12. LIEMPTY-4 (201-117967) processes all the photographic film taken by the LIEMPTY photographers and makes the number of prints required. He does this work at night in the LIEMPTY photographic laboratory. He is self-employed as a medical doctor, and he is a brother-in-law of GERENDE, in whose home the laboratory is located.

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Changes:

1. The LIENTRAP mobile unit, consisting of LIEMPTY-10 and LIEMPTY-11, is being removed from Project LIEMPTY and placed under Project LIEMBRACE, which supports a unilateral physical surveillance team. The purpose of this change is to increase the size of the LIEMBRACE team in order to meet a growing demand for operational surveillance support from the various Station operating sections. The transfer will become effective at the beginning of FY 1971 and both FY 1971 project budgets have been adjusted to cover financial aspects of the change.

2. Raymond H. GERENDE was removed as the LIEMPTY principal agent in early December 1969 owing to a security problem (see Problems, paragraph 1). He was replaced on 9 December 1969 by Bruce H. FERNALD, a career agent operating under cover as a retired immigrant. The change has caused some delay in the receipt of photographs because FERNALD is unable to meet LIEMPTY agents as frequently as GERENDE had met them, but operational effectiveness is not significantly reduced by this delay. The key issue is that security and reliability of the principal agent have improved considerably.

Accomplishments:

1. Project LIEMPTY has provided continuous daily photographic and visual coverage (Monday through Saturday) of the front entrance and rear areas of the Soviet Embassy in Mexico City. All Soviet personnel and their visitors entering or leaving the Embassy have been photographed. In addition, visual surveillance reports were prepared when appropriate. These photographs and reports have contributed essential operational support to the Station's Soviet operations program.

2. Recently, LIEMPTY photographs were exclusively used to produce an updated mugbook on Soviet officials in Mexico. The book has been loaned to the FBI, AF/OSI and the 902nd Military Intelligence Group for operational use in debriefing their agents engaged in dangle operations and double agent operations against the Soviet services in Mexico City. One 902nd controlled agent was identified from an LIEMPTY photograph taken when the agent tried to contact the Soviets at

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the Soviet Embassy in Mexico City. Similarly, an AF/OSI controlled agent scheduled to meet a Soviet contact was unable to do so owing to illness, but LIEMPTY photographed another person who appeared at the meeting site and this person is believed to be the agent's Soviet case officer. Such coverage has been helpful to the 902nd, AF/OSI and the FBI in running their controlled double agent operations against the Soviets in Mexico.

3. Within one week after a biannual change of license plates on Soviet Embassy vehicles, LIEMPTY had provided a complete list of the new tag numbers, along with a complete identification of the vehicles. Among other things, this enabled the Station to identify the companions of Aleksandr Aleksandrovich NIKITIN, a known KGB officer, during his last few days in Mexico.

4. LIEMPTY has also determined that newcomers to the Soviet Embassy frequently gravitate to groupings with their RIS colleagues in the "safety" of the Embassy backyard. This fact enabled the Station to make certain tentative KGB and GRU identifications. In addition, certain TDYers have been linked up with their escort officers and clues to personal relationships have occasionally been exploited.

5. In the field of Soviet patterns of activity and associations, LIEMPTY has been able to report accurate changes in certain specific cases. LIEMPTY coverage showed that NIKITIN, mentioned in paragraph 3 above, changed his activity pattern following the defection of Raisa Yerofeyevna KISELNIKOVA, former secretary in the Commercial Mission in Mexico. The same applies to Oleg NECHIPORENKO, a Second Secretary at the Embassy and a known KGB officer. LIEMPTY also provided information on the patterns and associations of Yuriy Viktorovich KUPLYAKOV, a known KGB officer and on Valeriy Vladimirovich SOKOLIN, a known GRU officer. Coverage of Vladimir Viktorovich GORDEYEV, a suspect KGB officer, showed that he did, in fact, work in a "restricted area" at the Soviet Embassy and also established who some of his associates were. In the case of Oleg Konstantinovich IGNATYEV, who had arrived in Mexico City from Caracas, Venezuela, LIEMPTY was able to observe IGNATYEV entering and leaving in the company of Svyastoslav Fedorovich KUZNETSOV, Press Attache and First Secretary of the Soviet Embassy. IGNATYEV also visited the Soviet Embassy

several other times during his stay in Mexico City and had contact with other known Soviet intelligence officers while visiting. This kind of information is a basic contribution to the Station's continuing efforts to identify and assess certain Soviets for possible recruitment or defection.

6. At Headquarters, the Soviet Bloc Division uses LIEMPTY photographs, particularly photographs of Soviet Embassy officials, for identification purposes in connection with defector cases. The LIEMPTY material also keeps the Station's Soviet section up-to-date on which Soviet officers have been in the Embassy, which ones have been away; who has used which car; who has been in contact with whom; and other similar information useful in the conduct of Soviet operations.

Problems:

1. A security problem has developed involving Raymond H. GERENDE. According to GERENDE, his wife wants a divorce, apparently based mainly on incompatability of personalities. The problem basically is that both want custody of the children and this has sparked a dispute that has become more bitter and violent daily. In addition, the monetary settlement is in dispute. The problem is compounded by the fact that GERENDE's wife knows in some considerable detail of GERENDE's activities on behalf of the Agency. Thus, if the case does go to court, it could lead to the surfacing of GERENDE's Agency employment and possible compromise of LILYRIC, LICALLA and LIENTRAP. Even if the case does not go to court, GERENDE's wife could expose him as an Agency employee. Since late 1969, Mexico City Station has been in touch with both GERENDE and his wife on this problem, and every effort is being made by the Station to have both parties settle the divorce out of court, and to protect GERENDE's cover and that of the project. After weighing all factors, it has been decided that continued employment of GERENDE is not an acceptable risk, and the decision has been reached to terminate him by the end of FY 1970. GERENDE will be paid a termination bonus of $10,000 for 15 years service, about $1,250 more than the $8,750 his contract calls for, in order to ensure that the termination is amicable and thereby preserve

project security. In addition, his wife, LIEMPTY-19 will be given $2,500 as a security measure designed to keep her from revealing what she knows about project operations. The FY 1970 budget is being amended to cover this amount.

2. Other aspects of security continue relatively unchanged. All the agents still have jobs to backstop their Agency wages. The Station is compartmented from the action agents through FERNALD, whose contact with the sub-agents is reasonably well covered by his status as a retired immigrant. FERNALD has been meeting LIEMPTY-9 and LITEMPY-13 since 9 December 1969. Brief meetings are held once each week at pre-arranged times and places, well away from the target area. Occasionally emergency meetings are called, by phone, if special coverage is desired. FERNALD also meets LIEMPTY-4 to exchange films and prints. These meetings are held weekly at pre-arranged times and places. FERNALD can change meeting plans by calling LIEMPTY-4 directly by telephone. In addition, LIEMPTY-4 has been given a special extension in the Station through which he may call as "Dr. Carlos" to leave a message for "Victor" (FERNALD). The Station case officer maintains weekly clandestine contact with FERNALD in order to manage the operation and collect the product.

Coordination:

Ambassador McBride has not been briefed on Project LIEMPTY.

Future Plans:

1. The surveillance units are expected to continue to produce valuable information in the form of photographic coverage and visual surveillance reports on the daily movements, personal associations, and habit patterns of persons frequenting the Soviet Embassy, including Soviet officials. Operational procedures and the project mechanism will continue as it has in the past, except that Bruce H. FERNALD, a new principal agent, will be in charge of the operation (see Changes, paragraph 2).

2. The Project does not include an up-dated plan for emergency contact during violent action or government overthrow. The Station has been requested to prepare an updated emergency contact plan and submit it to Headquarters in the first FY 1971 quarterly progress report.

Costs:

1. General: $23,635 is requested for FY 1971. It is requested that the project be amended for FY 1970 in the amount of $10,498 (from $38,970 to $49,468) in order to cover termination payments to Raymond H. GERENDE and his wife, LIEMPTY-19.

2. Source of Funds: Project LIEMPTY is included in the Western Hemisphere Division's FY 1971 Operating Program in the amount of $40,000. Funds for the FY 1970 amendment will be absorbed in the current WH Division's finance allocation.

3. Project Budget:

	FY 1970 Estimated Obligations	FY 1971 Request	FY 1972 Projection
Raymond H. GERENDE Salary	$ 6,500	$ -0-	$ -0-
LIEMPTY-4 Salary	2,400	2,640	2,640
LIEMPTY-9 Salary	4,320	4,752	4,752
LIEMPTY-10 Salary	4,224	-0-	-0-
LIEMPTY-11 Salary	2,736	-0-	-0-
LIEMPTY-13 Salary	1,536	1,690	1,690
LIEMPTY-14 Salary	1,824	2,006	2,006
LIEMPTY-26 Salary	672	739	739
LIEMPTY-27 Salary	1,728	1,901	1,901
LICALLA Safehouse Rent (MEXI-03)	1,248	1,373	1,373
LILYRIC Safehouse Rent (MEXI-132)	2,880	2,880	2,880
Safehouse Utilities	1,100	1,200	1,300
GERENDE Dark Room Rent (MEXI-137)	960	-0-	-0-
MV-2823* and 2947 Maintenance	1,200	600	600
Property Maintenance and Replacement	500	500	500
Photographic and Other Supplies	1,000	1,000	1,000
Christmas Bonuses	2,140	2,354	2,354
LIEMPTY-19 Termination Bonus	2,500	-0-	-0-
GERENDE Termination Bonus	10,000	-0-	-0-
TOTAL	$49,468	$23,635**	$23,735

*MV-2823 to be sold in FY 1970 and not replaced.
**Decrease from FY 1970 figure due to GERENDE termination. His replacement is covered under Project AEMAGNIFY.

4. Foreign Currency: There is no special need for foreign currency. No non-CIA funds are used.

5. Commitments: Christmas bonuses to all agents totaling $2,354 for FY 1971, and termination pay in an amount to be determined by the agents record and length of service.

6. Funding: Funds are hand-carried from the Station case officer to FERNALD, and from FERNALD to the sub-agents. The transfer of funds takes place under clandestine meeting conditions, and appropriate security measures are always taken.

7. Accountability: FERNALD accounts in detail to his case officer, who in turn submits receipts to the Station and certifies that funds were spent to cover expenses for which it was intended.

8. Annexes: None

14-00000

SECRET
(When Filled In)

PROJECT ACTION

PROJECT CRYPTONYM: LIEMPTY

TYPE OF ACTION			
	NEW PROJECT APPROVAL	X FI/C	CA
	AMENDMENT NO.	DIVISION: Western Hemisphere Division	
		FIELD STATION: Mexico City	
X	RENEWAL FY 19 71	BRANCH: One	DESK:
	EXTENSION	CASE OFFICER: Jack Barry	DATE: 10 April 70
	TERMINATION	ROOM NO.: 3E05 BUILDING: Hqs.	TEL. EXT.: RED 1973 BLACK 4167

CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
C/WH/1	John C. Murray				
C/WH/B&F	Elliotte C. Want				
C/WH/SS	Richard B. Wright				
C/WH/FI	Richard S. Welch				
C/WH/Plans	Robert B. Moore				
C/WHD	William V. Broe				

CONCURRENCES OF OTHER COMPONENTS

(Type in Organizational Element and Name Below Only When Concurrence Obtained by Originating Element.)	DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO

APPROVAL

PERIOD FROM	PERIOD TO	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
1 July 1970	30 June 1971	$ 23,635	1971	$ 23,635

APPROVING AUTHORITY	SIGNATURE	DATE
A/DDP		

FORM 848 5-69 USE PREVIOUS EDITIONS

SECRET

(5)

LIEMPTY - Mexico City, Mexico -- Photographic Surveillance Team Support -- FY 1971, Cost $23,635.

Fiscal Year	Approved	Obligated
1966	$43,145	$36,294
1967	43,000	42,082
1968	42,185	42,158
1969	43,320	41,416
1970	38,970	49,468 (Projected)

Purpose:

Project LIEMPTY supports a visual and photographic surveillance of the Soviet Embassy in Mexico City. The aim is to identify and cover the movements of persons entering and leaving the Embassy, including Soviets and visitors. The intelligence collected through such activity contributes to the Station's overall Soviet operations program, mainly in support of Priority A-1, but to some extent, Priority A-4, of the Operating Directive for Mexico.

Description:

1. The Project operates through two fixed basehouse surveillance posts, a small photographic laboratory, a principal agent, and six sub-agents. A team of four sub-agents, operating from a basehouse, maintains visual and photographic surveillance of the Soviet Embassy front entrance. One sub-agent, operating from a second basehouse, covers an area in back of the Embassy, where Soviet officials meet, play and work. These units photograph all persons moving in or out of the specific target areas. They also maintain logs and provide written reports on observed activity. All of this material is passed to the principal agent, who passes the film to another sub-agent for processing at a laboratory equipped for that purpose. After the film is processed and printed, the principal agent passes the finished product, plus written reports and logs, to the Station case officer. A brief description of each unit, each agent and his role in the operation follows.

2. LILYRIC (MEXI-132) is a basehouse located near the front of the Soviet Embassy. This house has been in operation since October 1966. It is rented through LIMOUSINE (201-5762), a cleared American businessman. He is the ostensible owner of record and, as the landlord, collects rent from the tenants and then passes it to the Station case officer. LIEMPTY-13 and his family (see paragraph 3 below) live in the LILYRIC house and conduct their surveillance operation from it during daylight hours (0800-1800).

3. LIEMPTY-13 (201-119961) is the key member of the LILYRIC basehouse team. He maintains contact with the principal agent and does some photographic work. However, because LIEMPTY-13 is employed outside as an industrial engineer, he is unable to spend much time operating the LILYRIC photographic equipment, and most of this work is done by his wife, LIEMPTY-14, and their sons, LIEMPTY-26 and LIEMPTY-27 (see paragraphs 4, 5 and 6 below).

4. LIEMPTY-14 (201-167567) is the main photographer and observer at the LILYRIC basehouse. She works closely with her husband, LIEMPTY-13, in running the operation, including the preparation of observation reports and logs. She also does the LILYRIC housekeeping, as any housewife would do.

5. LIEMPTY-26 (201-762111), the son of LIEMPTY-13 and LIEMPTY-14, has been a student at the Mexican Technological Institute. In his spare time he operates the LILYRIC photographic equipment, and helps LIEMPTY-14 in maintaining the arrival and departure logs of target personalities.

6. LIEMPTY-27 (201-762112), another son of LIEMPTY-13 and LIEMPTY-14, has been a prep school student. He assists in operating the LILYRIC photographic equipment and transcribes notes into a finished typewritten log of events.

7. LICALLA (MEXI-03) is a basehouse located behind the Soviet Embassy. It has been in operation since 1957. The building, a four-unit affair, collectively known as LIMUST, is Agency owned. It was purchased through LIMOUSINE in September 1957, and the property is in his name. The LICALLA site is occupied by LIEMPTY-9 (see paragraph 8 below) and he runs the surveillance operation from it.

8. LIEMPTY-9 (201-136454) is the only agent operating from the LICALLA site. He does all the photography, maintains logs and prepares observation reports. He also maintains contact with the principal agent. LIEMPTY-9 is a part-time insurance salesman and is self-employed in the accounting business, which he conducts at the LICALLA site.

9. Raymond H. GERENDE (201-119523) has been the principal agent for this project. He is a Mexican national contract agent who is self-employed as an English teacher and also works as a salesman for a light bulb manufacturer. GERENDE has been mainly responsible for maintaining contact with the LIEMPTY agents, passing instructions to them, and collecting the product for passing to the Station case officer. He has also paid them and handled all other administrative matters. He is being terminated by the end of FY 1970 for security reasons (see Problems, paragraph 1).

10. Bruce H. FERNALD (P) (201-008189) replaced GERENDE (see paragraph 9 above) as the project's principal agent in early December 1969. FERNALD, a U.S. citizen born in June 1915, operates under non-official cover as a retired immigrant. He is responsible for maintaining contact with the LIEMPTY agents and collecting the product for passing to the Station case officer. He also handles administrative matters, including agent salary payments. FERNALD is financially covered under Project AEMAGNIFY.

11. The LIEMPTY photographic laboratory (MEXI-137) is located in a room at GERENDE's residence. It is equipped to process the photographs taken by the LIEMPTY surveillance units. The work is done by LIEMPTY-4. (See paragraph 12 below). Since GERENDE will be terminated by the end of FY 1970, the Station is taking steps to establish a new LIEMPTY photographic laboratory at a new safesite.

12. LIEMPTY-4 (201-117967) processes all the photographic film taken by the LIEMPTY photographers and makes the number of prints required. He does this work at night in the LIEMPTY photographic laboratory. He is self-employed as a medical doctor, and he is a brother-in-law of GERENDE, in whose home the laboratory is located.

Changes:

1. The LIENTRAP mobile unit, consisting of LIEMPTY-10 and LIEMPTY-11, is being removed from Project LIEMPTY and placed under Project LIEMBRACE, which supports a unilateral physical surveillance team. The purpose of this change is to increase the size of the LIEMBRACE team in order to meet a growing demand for operational surveillance support from the various Station operating sections. The transfer will become effective at the beginning of FY 1971 and both FY 1971 project budgets have been adjusted to cover financial aspects of the change.

2. Raymond H. GERENDE was removed as the LIEMPTY principal agent in early December 1969 owing to a security problem (see Problems, paragraph 1). He was replaced on 9 December 1969 by Bruce H. FERNALD, a career agent operating under cover as a retired immigrant. The change has caused some delay in the receipt of photographs because FERNALD is unable to meet LIEMPTY agents as frequently as GERENDE had met them, but operational effectiveness is not significantly reduced by this delay. The key issue is that security and reliability of the principal agent have improved considerably.

Accomplishments:

1. Project LIEMPTY has provided continuous daily photographic and visual coverage (Monday through Saturday) of the front entrance and rear areas of the Soviet Embassy in Mexico City. All Soviet personnel and their visitors entering or leaving the Embassy have been photographed. In addition, visual surveillance reports were prepared when appropriate. These photographs and reports have contributed essential operational support to the Station's Soviet operations program.

2. Recently, LIEMPTY photographs were exclusively used to produce an updated mugbook on Soviet officials in Mexico. The book has been loaned to the FBI, AF/OSI and the 902nd Military Intelligence Group for operational use in debriefing their agents engaged in dangle operations and double agent operations against the Soviet services in Mexico City. One 902nd controlled agent was identified from an LIEMPTY photograph taken when the agent tried to contact the Soviets at

the Soviet Embassy in Mexico City. Similarly, an AF/OSI controlled agent scheduled to meet a Soviet contact was unable to do so owing to illness, but LIEMPTY photographed another person who appeared at the meeting site and this person is believed to be the agent's Soviet case officer. Such coverage has been helpful to the 902nd, AF/OSI and the FBI in running their controlled double agent operations against the Soviets in Mexico.

3. Within one week after a biannual change of license plates on Soviet Embassy vehicles, LIEMPTY had provided a complete list of the new tag numbers, along with a complete identification of the vehicles. Among other things, this enabled the Station to identify the companions of Aleksandr Aleksandrovich NIKITIN, a known KGB officer, during his last few days in Mexico.

4. LIEMPTY has also determined that newcomers to the Soviet Embassy frequently gravitate to groupings with their RIS colleagues in the "safety" of the Embassy backyard. This fact enabled the Station to make certain tentative KGB and GRU identifications. In addition, certain TDYers have been linked up with their escort officers and clues to personal relationships have occasionally been exploited.

5. In the field of Soviet patterns of activity and associations, LIEMPTY has been able to report accurate changes in certain specific cases. LIEMPTY coverage showed that NIKITIN, mentioned in paragraph 3 above, changed his activity pattern following the defection of Raisa Yerofeyevna KISELNIKOVA, former secretary in the Commercial Mission in Mexico. The same applies to Oleg NECHIPORENKO, a Second Secretary at the Embassy and a known KGB officer. LIEMPTY also provided information on the patterns and associations of Yuriy Viktorovich KUPLYAKOV, a known KGB officer and on Valeriy Vladimirovich SOKOLIN, a known GRU officer. Coverage of Vladimir Viktorovich GORDEYEV, a suspect KGB officer, showed that he did, in fact, work in a "restricted area" at the Soviet Embassy and also established who some of his associates were. In the case of Oleg Konstantinovich IGNATYEV, who had arrived in Mexico City from Caracas, Venezuela, LIEMPTY was able to observe IGNATYEV entering and leaving in the company of Svyastoslav Fedorovich KUZNETSOV, Press Attache and First Secretary of the Soviet Embassy. IGNATYEV also visited the Soviet Embassy

several other times during his stay in Mexico City and had contact with other known Soviet intelligence officers while visiting. This kind of information is a basic contribution to the Station's continuing efforts to identify and assess certain Soviets for possible recruitment or defection.

6. At Headquarters, the Soviet Bloc Division uses LIEMPTY photographs, particularly photographs of Soviet Embassy officials, for identification purposes in connection with defector cases. The LIEMPTY material also keeps the Station's Soviet section up-to-date on which Soviet officers have been in the Embassy, which ones have been away; who has used which car; who has been in contact with whom; and other similar information useful in the conduct of Soviet operations.

Problems:

1. A security problem has developed involving Raymond H. GERENDE. According to GERENDE, his wife wants a divorce, apparently based mainly on incompatability of personalities. The problem basically is that both want custody of the children and this has sparked a dispute that has become more bitter and violent daily. In addition, the monetary settlement is in dispute. The problem is compounded by the fact that GERENDE's wife knows in some considerable detail of GERENDE's activities on behalf of the Agency. Thus, if the case does go to court, it could lead to the surfacing of GERENDE's Agency employment and possible compromise of LILYRIC, LICALLA and LIENTRAP. Even if the case does not go to court, GERENDE's wife could expose him as an Agency employee. Since late 1969, Mexico City Station has been in touch with both GERENDE and his wife on this problem, and every effort is being made by the Station to have both parties settle the divorce out of court, and to protect GERENDE's cover and that of the project. After weighing all factors, it has been decided that continued employment of GERENDE is not an acceptable risk, and the decision has been reached to terminate him by the end of FY 1970. GERENDE will be paid a termination bonus of $10,000 for 15 years service, about $1,250 more than the $8,750 his contract calls for, in order to ensure that the termination is amicable and thereby preserve

project security. In addition, his wife, LIEMPTY-19 will be given $2,500 as a security measure designed to keep her from revealing what she knows about project operations. The FY 1970 budget is being amended to cover this amount.

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Coordination:

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Future Plans:

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3. Project Budget:

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Christmas Bonuses	2,140	2,354	2,354
LIEMPTY-19 Termination Bonus	2,500	-0-	-0-
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TOTAL	$49,468	$23,635**	$23,735

*MV-2823 to be sold in FY 1970 and not replaced.
**Decrease from FY 1970 figure due to GERENDE termination. His replacement is covered under Project AEMAGNIFY.

4. Foreign Currency: There is no special need for foreign currency. No non-CIA funds are used.

5. Commitments: Christmas bonuses to all agents totaling $2,354 for FY 1971, and termination pay in an amount to be determined by the agents record and length of service.

6. Funding: Funds are hand-carried from the Station case officer to FERNALD, and from FERNALD to the sub-agents. The transfer of funds takes place under clandestine meeting conditions, and appropriate security measures are always taken.

7. Accountability: FERNALD accounts in detail to his case officer, who in turn submits receipts to the Station and certifies that funds were spent to cover expenses for which it was intended.

8. Annexes: None

14-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional) LIEMPTY Project Renewal Request

FROM:	EXTENSION	NO.
WH/1/Robert Hazen	4167	DATE 10 April 1970

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. C/WH/1		10 Apr 70	cmr	1-2: Please take the extra FY 70 funds from Project LIARNICA. cmr
2. C/WH/B&F	10 APR 1970		[illegible]	
3. C/WH/LOG	4/13	4/13	[illegible]	
4. C/WH/SS		4-13-70	[illegible]	FY 70 FUNDS AVAILABLE
5. SB/X/WH			✓	
6. C/WH/RE		4/15	m	Funds included in the FY 71 Ops Program.
7. C/WH/FI		15 APR 1970	[illegible]	6-7 Not applicable
8. C/WH/Plans	21 APR 1970	4/21	[illegible]	
9. C/WHD		21 APR 1970	J.H.	
10. WH/FI		22 APR 1970	[illegible]	
11. DFS/B6/F1	21 APR 1970	28 MAY 1970	[illegible]	Field informed and copy sent via HMMW-17950.
12.				
13. WH/FI 303113		[illegible]	[illegible]	
14. WH/1			[illegible]	
15.				

FORM 3-62 610 USE PREVIOUS EDITIONS ☒ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

SECRET

STAFF REVIEW OF FI/CI PROJECT

RETURN TO: NPS/BO/FI-CI Projects 3 C 43

PROJECT	LIEMPTY
FUNDS	FY 70 Amendment $10,498 FY 71 Renewal $23,635
CASE OFFICER	Jack Barry
EXTENSION	4167
ROOM	3 E 05
RECEIVED DDP/PG	23 Apr 70
FORWARDED	23 Apr 70
DEADLINE	
RETURNED	
DIVISION	WH
STATION	Mexico City
TARGET AREA	Mexico

	ACTION		APPROVAL LEVEL		REVIEWING COMPONENTS						
	APPROVAL		DIVISION OR STAFF	X	FI/OPS	X	CI/OPS	X	CCS	X	OTHER
X	RENEWAL	X	DDP		/INT						NSP
X	AMENDMENT		DCI		/D						
	EXTENSION										
	TERMINATION										

ROUTING OFFICE COMMENTS

COMMENT FOR INTERNAL STAFF USE (Not to go forward to the Division)

COMMENTS AND RECOMMENDATIONS (To go forward to the Division)

The CI Staff concurs in the renewal of this extremely valuable operational support project. The Staff desires to be kept informed on all security developments and repercussions resulting from the divorce problems of Gerende (P) and his wife. The Staff urges the Station to continue its all-our efforts to keep this divorce out of the courts.

C/ ... DIV.

DATE 12 MAY 1970

DATE: [signature] | REVIEWING OFFICER: [signature]

FORM 8-67 526 OBSOLETE PREVIOUS EDITION

SECRET

GROUP 1 Excluded from automatic downgrading and declassification

(13-20)

SECRET

19 MAY 1970

MEMORANDUM FOR : Assistant Deputy Director for Plans

THROUGH : MPS/BG

SUBJECT : Renewal of Project LIEMPTY

1. WH Division requests renewal of Mexico City Station's Operational Support Project, LIEMPTY, for $23,635 for Fiscal Year 1971 and a $10,498 amendment for FY 1970 to cover termination payments to a former Principal Agent and his wife. Last year LIEMPTY was approved for $38,970. One agent termination and the transfer of the cost of a mobile surveillance unit to another project are responsible for the reduced FY 1971 request.

2. LIEMPTY supports a visual and photographic surveillance of the Soviet Embassy in Mexico City. It includes a Principal Agent, Raymond H. GERENDE (P), and 6 subagents who maintain two separate safehouses, one in front and one in the rear of the Soviet Embassy, from which anyone entering or leaving the Embassy can be observed and photographed. The various members of the team handle and service the photographic equipment, develop and print photographs, keep observation reports and logs, including the arrival and departure of target persons, and maintain the two safehouses mentioned above.

3. This project does not provide positive intelligence, except incidentally. It is designed to furnish a running account, both photographic and in writing, of all Soviet Embassy personnel and their visitors arriving at, or leaving, the Embassy. Photographs taken by LIEMPTY personnel were used to produce an updated "mugbook" on Soviet officials in Mexico which has been loaned to other US security agencies for operational use in activities targeted against Soviet services in Mexico City. LIEMPTY agents also provided information which enabled the Station to identify the companions of known KGB officials, to identify the habit patterns of new arrivals at the Soviet Embassy and provided a wealth of other information of operational value concerning Soviet Embassy activities.

4. A security problem, resulting in a Station decision to restrict the activities of GERENDE, place him on half pay, and replace him with a career agent (a valuable asset who

SECRET

GROUP 1
Excluded from automatic downgrading and declassification

also handles SB operations) arose during the project year. GERENDE has been having marital difficulties which may end in divorce. Along with other incompatible features of the marriage, which have resulted in numerous family fights, there have been long, bitter and violent arguments as to who will have custody of their 4 children and concerning a monetary settlement. The Station has become involved in these altercations because GERENDE's wife is knowledgeable of his CIA relationship and could, if she chose to do so, expose him as an agency employee. She has promised to keep quiet but there is no assurance that she will do so. In view of the risk involved, should GERENDE's wife expose his agency relationship and in view of the fact that, despite his 15 years of service and his undisputed ability and experience, other unfavorable qualities militate against his retention, the Station is considering terminating GERENDE. It is proposed to pay him a termination bonus of $10,000 for 15 years of service in accordance with Mexican law and his wife $2,500 as a security measure designed to keep her quiet. After discussion with the desk, FI Staff believes that, if GERENDE is paid the $10,000 termination money, it should not be given to him in one lump sum but should be paid on a monthly basis, the amount per month to be determined by the Station, thus eliminating the possibility of his squandering it all at once and possibly coming back for more of the same. The same procedure should be followed in the $2,500 payment to his wife. In both cases at least an element of control is assured in that both GERENDE and his wife will know that continued receipt of their monthly payments will depend upon their continued loyalty to the agency. In the meantime, we feel this man, whose morale, and ability have been seriously affected by his marital strife, given time, can perhaps be rehabilitated and once again become a valuable Station asset. This would ensure his continued loyalty and give him an income out of which to pay his alimony. Aside from the foregoing there were no other problems, security or otherwise. All meetings between the case officer and the new Principal Agent are held under secure conditions, or more often if necessary, at prearranged dates, times and places. Meetings between the P/A and the subagents are held under similar conditions. The Station has been requested to submit an updated emergency recontact plan to be included in the first FY 1971 quarterly program report for this project.

5. Agents' salaries, safehouse rentals, motor vehicle maintenance and travel, property maintenance and Christmas bonuses will total $23,635. Despite the security aspects related to the marital difficulties of the erstwhile P/A,

SECRET

this is an excellent operation which has been described by the Station as representing a highly effective and highly useful support mechanism. SB Division has stated that, although relatively inexpensive, it is a very worthwhile and valuable project. FI Staff recommends approval with the stipulation that the recommendation with respect to payment of termination bonuses to GERENDE and his wife be carried out.

Peer de Silva
Chief
Foreign Intelligence

Attachment
Project

SECRET

14-00000

PREVIOUS PROJECT ACTION

SECRET (When Filled In)

FUNDING

NO. 2
(DOCUMENT # FOR THIS PROJECT)

DATE [illegible]

NOTIFICATION OF PROJECT APPROVAL ACTION

TO: CHIEF OF STATION (BASE) [illegible]

ATTENTION: FINANCE OFFICER

INFO:

PROJECT [illegible] FAN [illegible]

TYPE OF ACTION PERIOD OF ACTION [illegible] TO [illegible] AMOUNT $ —

TYPE OF ACTION			
NEW		PREVIOUS ACTION IN THIS FISCAL YEAR	38970
RENEWAL		TOTAL FISCAL YEAR APPROVAL	[illegible]
EXTENSION			
TERMINATION		FUNDS AVAILABLE FOR HQS USE	500
AMENDMENT		FUNDS AVAILABLE FOR FIELD USE	[illegible]
OTHER	X*	* Funding reduced to $36500	

CHIEF, WH/B&F

HQS USE ONLY

PROCESSED	APPROVED	TYPE OF ACTION	PERIOD	AMOUNT

SECRET (When Filled In)

14-00000

S E C R E T
(When Filled In)

FUNDING

NO. 1 DATE
(DOCUMENT # FOR
THIS PROJECT)

NOTIFICATION OF PROJECT APPROVAL ACTION

TO: CHIEF OF STATION ~~(BASE)~~ Mexico City

ATTENTION: FINANCE OFFICER

INFO:

PROJECT LIEMPTY FAN 0135-1009

TYPE OF ACTION PERIOD OF ACTION TO AMOUNT $

NEW
RENEWAL ✓
EXTENSION
TERMINATION
AMENDMENT
OTHER

PREVIOUS ACTION IN THIS FISCAL YEAR -
TOTAL FISCAL YEAR APPROVAL
FUNDS AVAILABLE FOR HQS USE 500
FUNDS AVAILABLE FOR FIELD USE

CHIEF, WH/B&F

HQS USE ONLY

PROCESSED	APPROVED	TYPE OF ACTION	PERIOD	AMOUNT

S E C R E T
(When Filled In)

SECRET

PROJECT APPROVAL NOTIFICATION

PROJECT	LIEMPTY	☐ CA X ☐ FI/CI	☐ PROPRIETARY ☐ SUBSIDY ☐ DIRECT

ACTION		AREA	
	NEW PROJECT	DIVISION	WH
	AMENDMENT		
X	RENEWAL	BRANCH	WH/1
	TERMINATION	DESK	Mexico
	EXTENSION		
	OTHER	CASE OFFICER: Al Malone	EXTENSION: 6954

AUTHORIZATION

APPROVING AUTHORITY: ADDP	TOTAL AMOUNT APPROVED: $ 38,970	FY: 1970	AMOUNT: $38,970
		196	
PERIOD OF APPROVAL: FROM 1 July 1969 TO 30 June 1970	FINANCIAL CODE SYMBOL	0135-1009	

CONDITIONS OF APPROVAL

SIGNATURE	DATE
MPS/BG (Signed) E. H. Harms	1 AUG 1969

DISTRIBUTION

1	FINANCE DIVISION	1		1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER	2	MPS/BG

FORM 6-66 849 USE PREVIOUS EDITIONS.

SECRET

GROUP 1 Excluded from automatic downgrading and declassification

(3)

14-00000

SECRET

5 JUN 1969

MEMORANDUM FOR: Assistant Deputy Director for Plans

THROUGH : MPS/BG

SUBJECT : FY 1970 Renewal of Project LIEMPTY for $38,970

1. Project LIEMPTY, now in its eleventh year, is the Mexican Station's operation which provides visual and photographic surveillance of the Soviet Embassy from safehouses at the front entrance and back of the building, as well as from a mobile unit. All Soviet personnel and their visitors coming to the Embassy are photographed. From 1 November 1967 to 31 December 1968, approximately 21,367 photographs were taken and thousands of pages of surveillance reports were completed by personnel in this project. SB Division is pleased with the quantity and quality of the photographs and the Station finds them useful for operational purposes against the SB target. During the past year several U.S. citizens entered the Soviet installation in Mexico City and their photographs were identified by the FBI. There is a good relationship between the Station and the FBI in Mexico City and appropriately sterilized photographs are passed locally.

2. There have been no significant security problems.

3. The only changes in the project have been the elimination of one of the safehouses, which was used as an observation post, and termination of the agent who attended it. No real loss resulted from this change since the safehouse was so located that photographs taken from it overlapped those taken from another safehouse. The agent who serviced the facility was getting too old to do an efficient job and was terminated amicably. Also during the past year a new agent was added to the project.

4. Total funds requested for FY 1970 are $38,970. Salaries and legally required bonuses for nine agents come to $30,080; safehouse rental and maintenance amounts to $6,188; maintenance of two vehicles, $1,200; and photo and operational expenses, $1,500. FY 1969 approval was for $43,520 and estimated obligations for this period are $43,500. A new, $5,000 vehicle was purchased in FY 1969 and none is needed in FY 1970 which accounts for the reduction in costs for the present year.

SECRET

GROUP 1
Excluded from automatic
downgrading and
declassification

5. Project LIEMPTY contributes substantially to the Mexican Station's SB effort. The occasional identification of U.S. nationals in contact with the Soviets could have an important bearing on National Security. The operation is handled by an experienced and capable, outside contract agent under the direction of a Station officer which provides good security and personnel economy. It is a well managed and productive operational support mechanism necessary to Station operations. FI Staff recommends approval.

Peer de Silva
Chief
Foreign Intelligence

Attachment
Project

SECRET

STAFF REVIEW OF FI/CI PROJECT

PROJECT	LIEMPTY
FUNDS	$38,970
RETURN TO:	MPS/BG/FI-CI Projects 3 C 43
CASE OFFICER	Al Malone
EXTENSION	6954
ROOM	3 E 04
RECEIVED DDP/PG	27 May 69
FORWARDED	27 May 69
DEADLINE	
RETURNED	
DIVISION	WH
STATION	Mexico
TARGET AREA	MEXICO CITY

ACTION		APPROVAL LEVEL		REVIEWING COMPONENTS					
	APPROVAL		DIVISION OR STAFF	X	FI/OPS	X	CI/OPS	X	CCS	X	OTHER
X	RENEWAL	X	DDP		/INT						OPSER/P
	AMENDMENT		DCI		/D						
	EXTENSION										
	TERMINATION										

ROUTING OFFICE COMMENTS

Yours Cy [illegible]

COMMENT FOR INTERNAL STAFF USE (*Not to go forward to the Division*)

COMMENTS AND RECOMMENDATIONS (*To go forward to the Division*)

The CI Staff concurs in the renewal of this extremely valuable operational support project.

CC SENT DIV.

DATE *10 July 69*

DATE	REVIEWING OFFICER
10 July 1969	*[illegible signature]*

FORM 9-67 526 OBSOLETE PREVIOUS EDITION SECRET GROUP 1 Excluded from automatic downgrading and declassification (13-20-40)

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SECRET
(When Filled In)

PROJECT ACTION

PROJECT CRYPTONYM: LIEMPTY

TYPE OF ACTION	X	FI/CI		CA		OTHER

	NEW PROJECT APPROVAL	DIVISION: Western Hemisphere Division
	AMENDMENT NO.	FIELD STATION: Mexico City
X	RENEWAL FY 19~~6~~ 70	BRANCH: One / DESK:
	EXTENSION	CASE OFFICER: Al Malone [signature] / DATE: 4 April 69
	TERMINATION	ROOM NO.: 3E04 / BUILDING: Hqs. / TEL. EXT.: RED 9041, BLACK 6954

CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
C/WH/1	for W. J. Kaufman [signature]	4/4/69	4/4/69	✓	
C/WH/B&F	Elliotte C. Want [signature]	4/7	4/7		
C/WH/SS	George R. Thompson [signature]	10 Apr 69			✓
C/WH/FI	James B. Noland [signature]	18 April 69			
WH/EXO	Donald C. Marelius [signature]	21 APR 1969	20/4		
C/WHD	William V. Broe [signature]	13 MAY 1969	24 MAY 1969		

CONCURRENCES OF OTHER COMPONENTS

		DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
SB/X/WH	L. MESTRES [signature]	14-4	14-4		✓
C/FI Staff	[signature]	5 JUN 1969	5 JUN 1969	✓	
CI Staff	/S/ F. W. Hughes		10 Jul 69		
CCS/PRG	/S/ Walter M. Pillsbury		5 Jun 69		
OPSER/P	/S/ Gerard Droller		28 May 69		
C/MPS/BG	[signature]	11 Aug 69	11 Aug 69		

ALL FUTURE ACTIONS ON THIS PROJECT REQUIRE APPROVAL OF DD/P OR ADD/P

APPROVAL

PERIOD FROM	PERIOD TO	AMT THIS ACTION	FY	TOTAL AMOUNT
			196	$
1 July 1969	30 June 1970	$ 38,970	19~~6~~70	$ 38,970

APPROVING AUTHORITY	SIGNATURE	DATE
A/DDP	[signature]	15 Aug 69

FORM 12-66 848 OBSOLETE PREVIOUS EDITIONS

SECRET

GROUP 1 Excluded from automatic downgrading and declassification

(5)

14-00000

SECRET

2 ? ... 1969

MEMORANDUM FOR: Deputy Director for Plans

SUBJECT : LIEMPTY Project Renewal (FY 1970)

1. Renewal is requested for the LIEMPTY Project for the period 1 July 1969 through 30 June 1970 (FY 1970) in the amount of $38,970. Funds are available in WH Division. $45,000 was programmed for FY 1970.

2. LIEMPTY is a project supporting Soviet operations of the Mexico City Station. It provides for two basehouses, a photo surveillance vehicle, and personnel for photographic and visual surveillance of the Soviet Embassy. Presently, two fixed surveillance points near the Embassy provide the location from which the photographs are taken and observers are stationed. One basehouse is adjacent to the rear of the Embassy, where Soviet officials meet, play and work. The other basehouse is across the street from the front of the Embassy and gives a direct view of every person entering or leaving. There is also a mobile photographic unit (a VW van) which is now used in support of all Mexico City Station operations and in conjunction with the LIEMBRACE surveillance team (used primarily against Soviet targets). Raymond H. GERENDE, an indigenous contract agent, is the principal agent of the operation and meets daily with the basehouse keepers and subagents.

3. LIEMPTY contributes significantly to the Station's Soviet operations program and is considered an essential element of the Station's support apparatus. During the period 1 November 1967 through 31 December 1968, approximately 21,367 photographs were taken. In response to a request to SB Division for an evaluation of the project, the following comment was received: "There are few such sources of high resolution photographs of Soviets, especially giving good side views. These photos are welcomed by SB Division since they furnish a steady flow of up-to-date identity data..." The photos are useful to the Station in confirming the identities of Soviet personnel and visitors to the

SECRET

Embassy, some of whom are U. S. citizens. During the past year, several of these U. S. citizens were identified with the help of the photos (which were passed to the FBI). Furthermore, the movements and habits of the Soviets are studied, and more knowledge is acquired on their friends and associates, especially Mexican nationals. This information is useful in target studies. For example, the senior TASS representative, a known KGB officer, is a recruitment target. He is under intensive operational scrutiny for leads developed from knowledge of his activities and contacts. LIEMPTY support is an integral part of this current developmental activity.

4. During the past year, one of the three basehouses was closed, leaving two, and the agent attending it was terminated. This was done because the agent was becoming less effective with age, and because there was some overlap between the photos taken from this basehouse and those of another. The termination was amicable, and the working hours of the personnel of the other basehouse were extended slightly. Another agent was also hired to help. This new agent is of the same family as the rest of the personnel occupying the basehouse, and no additional security risks are anticipated from this addition.

5. There have been no security or administrative problems. The Station and GERENDE are constantly on the alert for any sign that the Soviets are aware of the surveillance activities. While it is quite possible that the Soviets are aware of the surveillance, so far indications are that they are at least not fully aware, since no effort is made by them to avoid being photographed, even when having meetings with contacts in the rear of the Embassy.

6. Approval is recommended of this valuable operational support project.

[signature]

William V. Broe
Chief
Western Hemisphere Division

14-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

LIEMPTY Project Renewal for FY 1968

FROM:	EXTENSION	NO.
WH/1/Nancy Perkins	6954	DATE 13 December 1967

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. C/WH/1				
2. C/WH/B&F	12/28			FY 68 FUNDS AVAILABLE
3. C/WH/Log C/WH/Support	2 Jan 68	1/2		Project has 2 vehicles on TVA. If "rental of vehicles" is on a continuing basis exceeding 90 days, will require additional slot on TVA. DWS
4. SB/O/OAH SB.0001 C/WH/RE	3 Jan 68	8 JAN 1968		
5. C/WH/FI	12 JAN 1968			
WH/EXO	23 JAN 1968			
6. C/WHD	29 JAN 1968			To the best of branch knowledge rental of vehicles would be on an ad hoc, short term basis. NP
7. WH/FI	30			
8. MPS/BG/FI	30 JAN 1968			
9. WH/FI 3D3113	14 JAN 1968	1968		
10. WH/1/Nancy Perkins				
11.				
12.				
13.				
14.				
15.				

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PROJECT APPROVAL NOTIFICATION

PROJECT [illegible]	[ ] CA [X] FI CI	[ ] PROPRIETARY [ ] SUBSIDY [ ] DIRECT

ACTION		AREA	
	NEW PROJECT	DIVISION	WH
	AMENDMENT		
X	RENEWAL	BRANCH	WH/1
	TERMINATION	DESK	Mexico
	EXTENSION	CASE OFFICER: Nancy Perkins	EXTENSION: 6954
	OTHER		

AUTHORIZATION

APPROVING AUTHORITY	TOTAL AMOUNT APPROVED	FY	AMOUNT
ADDP	$ 69,725	1968	$26,205
		1969	43,520
PERIOD OF APPROVAL FROM 1 December 1967 TO 30 June 1969	FINANCIAL CODE SYMBOL	8135-1009	

CONDITIONS OF APPROVAL

SIGNATURE	DATE
MPS/BG [illegible]	[illegible]

DISTRIBUTION

1	FINANCE DIVISION	1		1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT	4	CASE OFFICER	1	MPS/BG

FORM 6-66 849 USE PREVIOUS EDITIONS. SECRET GROUP 1 EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION (8)

SECRET
(When Filled In)

PROJECT ACTION

CRYPTONYM: LIEMPTY

TYPE OF ACTION	X FI/CI		CA		OTHER
NEW PROJECT APPROVAL	DIVISION: Western Hemisphere Division				
AMENDMENT NO.	FIELD STATION: Mexico City				
X RENEWAL FY 196	BRANCH: One		DESK:		
EXTENSION	CASE OFFICER: Nancy Perkins		DATE: 21 Dec 67		
TERMINATION	ROOM NO.: 3B 4403	BUILDING: Hqs	TEL. EXT. RED: 9041	BLACK: 6954	

CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
C/WH/1	W. J. Kaufman		21 Dec 67		
C/WH/B&F	Elliott C. Want	1/2?	12/28		✓
C/WH/SS	George R. Thompson		2 Jan 68		✓
C/WH/FI	Thomas Polgar		13 Jan		
WH/EXO	Donald C. Marelius	JAN 1968	29/1/68		
C/WHD	William V. Broe	29 JAN 1968	30 JAN 1968		

CONCURRENCES OF OTHER COMPONENTS

		DATES IN	DATES OUT	MEMO ATTACHED YES	MEMO ATTACHED NO
SB/O/WH	Jonathan S. Hanke	3 Jan 68	3 Jan 68		✓
FI Staff	/s/Robert E. Anderson		8 May 68		
CI Staff	/s/Frank W. Hughes		26 Feb 68		
C/MPS/BG	[signature]		9 May 68		

APPROVAL

PERIOD FROM	PERIOD TO	AMT THIS ACTION	FY	TOTAL AMOUNT
1 Dec 67	30 June 69	$ 69,725	1968	$ 26,205
			1969	$ 43,520

APPROVING AUTHORITY	SIGNATURE	DATE
A/DDP	[signature]	10 May 68

FORM 12-66 848 OBSOLETE PREVIOUS EDITIONS

SECRET

GROUP 1 Excluded from automatic downgrading and declassification

(5)

14-00000

SECRET

STAFF REVIEW OF FI/CI PROJECT

PROJECT: LIEMPTY	FUNDS: $69,725 (12 mos)		RETURN TO: NPS/BG/FI-CI Projects 3 C 43
CASE OFFICER: Nancy Perkins	EXTENSION: 6954	ROOM: 3 B 4403	RECEIVED DDP/PG 1/30; FORWARDED 1/30
DIVISION: WH	STATION: Mexico City	TARGET AREA: Mexico	DEADLINE 2/13; RETURNED

ACTION		APPROVAL LEVEL		REVIEWING COMPONENTS							
	APPROVAL		DIVISION OR STAFF	X	FI/OPS	X	CI/OPS		CCS		OTHER
X	RENEWAL	X	DDP		/INT						
	AMENDMENT		DCI		/0						
	EXTENSION										
	TERMINATION										

ROUTING OFFICE COMMENTS

COMMENT FOR INTERNAL STAFF USE (Not to go forward to the Division)

COMMENTS AND RECOMMENDATIONS (To go forward to the Division)

The CI Staff concurs in the renewal of this extremely valuable project. The Staff strongly urges that the Station continue to be constantly alert for any Sov. interest in the project's agents and installations and in particular any Sov. investigation or activities against same--also, Station contingency plans should be formulated to cope with such Sov. interest or activities.

CC SENT DIV.

DATE 27 Feb 65

DATE | REVIEWING OFFICER

FORM 8-67 526 OBSOLETE PREVIOUS EDITION SECRET GROUP 1 Excluded from automatic downgrading and declassification (13-20-40)

SECRET

MPS/BG/FI
8 May 68

PROJECT BRIEFING

PROJECT : LIEMPTY — WH - Mexico

ACTION : ADD/P approval of renewal (19 mos.) — 1 Dec 67 - 30 Jun 69

PURPOSE : An operational support project providing three basehouses and a mobile surveillance unit to monitor primarily the Soviet Embassy, its personnel and its visitors, by physical and photographic surveillance.

BACKGROUND: The project covers three properties near the Soviet Embassy (two in front of the Embassy's sole entrance and one behind the garden) from which visual and photographic surveillance is carried out. It also covers a darkroom and a mobile photographic truck. Some of the project personnel are used at times for miscellaneous support tasks such as servicing postal boxes and for counter-surveillance and other protective services.

PROGRESS: During the past year the project provided nearly all of the operational photographs and physical surveillance reports used in the Station's operations against the Soviet Embassy and its personnel. SB Division says, "This rather unique operation has unquestionably made a major contribution to the increasingly effective Soviet Operations program of the Mexico Station."

The project produces primarily operational data and counterintelligence information. It provides leads, evidence of which Soviet officers have been in the Embassy and which ones have been away, who has used which car, who has been talking to whom or going out of the building with whom. (One photograph from this project was ✓ used in the Warren Commission Report.)

FUNDS : $69,725 (19 mos.) (Programmed FY 69 $46,000)

	FY 68 (7 mos.)	FY 69
Salaries (9) and bonuses	$19,475	$32,020
Vehicle maintenance	1,165	2,000
Rent and utilities	4,665	8,000
Equipment	300	500
Operational expenses	600	1,000
	$26,205	$43,520

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PREVIOUS APPROVALS:	1 Dec 66 - 30 Nov 67	$45,000
	1 Dec 65 - 30 Nov 66	41,500
	1 Dec 64 - 30 Nov 65	45,300
	1 Dec 63 - 30 Nov 64	49,700
	1 Dec 62 - 30 Nov 63	49,900
	1 Dec 58 - 30 Nov 59	95,380

STAFF RECOMMENDATIONS: FI and CI Staffs concur.

SECRET

8 N̈'' 1968

MEMORANDUM FOR: Assistant Deputy Director for Plans

THROUGH: MPS/BG

SUBJECT: Project LIEMPTY

1. WH Division requests renewal of LIEMPTY for the 19-month period 1 December 1967 through 30 June 1969 in the amount of $69,725. While this represents a slight reduction on a pro rata basis from the $45,000 for which LIEMPTY was approved for the 12-month period starting 1 December 1966, it reflects a proportionately modest increase in cost for the 19-month renewal period over the estimated total disbursement of $40,130 for the past project year. This will provide for small salary increases to meet the rising cost of living for certain of the agents involved in the project who have not received raises in some time as well as for slightly higher rental fees for the various basehouses. The project, now in its tenth year, is designed primarily to provide for the collection of operational information on the Soviet Embassy in Mexico City, including the identification and movements of its personnel and visitors. To this end, LIEMPTY provides for the maintenance and exploitation of three basehouses for fixed visual and photographic surveillance of the Soviet Embassy and a mobile basehouse in the form of a panel truck used for mobile photography against the Polish Embassy, leaders and meeting sites of local communist parties, and other targets of opportunity. An important corollary objective of LIEMPTY is operational support in the form of countersurveillance for Agency personnel and operations, including those of other bases and stations as the needs and requirements of the Mexico Station permit. The funds requested include $43,520 for the period 1 December 1967 through 30 November 1968 and an additional $26,205 to cover the period 1 December 1968 through 30 June 1969. The latter funds are asked for in a supplemental request to put the project on a fiscal year basis.

2. A long-term contract agent and eight other support agents are involved in the management and operation of the

LIEMPTY facilities and in surveillance activities directed at the primary Soviet target. Some of these agents are used also in dark room photographic processing, letter drop, and, on occasion, moving surveillance activities.

3. This project is only part of the complex of Mexico City Station instruments for meeting requirements from a number of U.S. agencies, including the FBI. It is clearly an effective, well-managed support operation serving important needs.

4. No major or significant changes in LIEMPTY personnel or operational techniques have been introduced nor have there been any known incidents adversely affecting the security of the project or its personnel since the previous project renewal period. As a unilateral operational support effort, LIEMPTY continues to be a most useful station asset supporting a number of station activities. In spite of small increases in costs as discussed above, the project is considered to be holding the line on cost and personnel.

5. The objectives of project LIEMPTY are in direct support of priority A objectives 1, 2, and 4 of the current Operating Directive for Mexico. It is considered by SB Division to have made significant contributions to the Station's well developed, high priority Soviet Operations Program. During the past year the various LIEMPTY base-house installations produced valuable information in the form of photographic coverage and physical surveillance reports on the daily movements, personal associations and habit patterns of selected targets of special interest. In numerous instances this coverage confirmed the specific intelligence service connections of Soviet officers in the Embassy. Often the identities of Mexicans and nationals of other countries in contact with the Soviets were established. The mobile panel truck unit was exploited regularly to provide information on not only the Soviets but also the Cuban target as well as local Communist Party targets.

[signature]
for Glenn Fields
Chief
Foreign Intelligence

Attachment
Project

14-00000

LIEMPTY PROJECT RENEWALS

THROUGH FY 1968

(RENEWALS FOR FY 1969 AND
FY 1970 ARE IN PROJECT
RENEWAL FILE)

SECRET

MPS/BG/FI
11 Jan 67

PROJECT BRIEFING

PROJECT: LIEMPTY . WH - Mexico City

ACTION : ADD/P approval of renewal 1 Dec 66 - 30 Nov 67

PURPOSE: Provides stationary surveillance against the Soviet Embassy and a mobile photographic basehouse which is used primarily against the Polish Embassy and local Communist party leaders.

PROGRESS: Three basehouses (LIMITED, LILYRIC and LICALLA) provide coverage of both the front and rear of the Soviet Embassy. Throughout the past renewal period each operational component contributed actively and concretely to the fulfillment of the operational tasks levied on the Station. In the first nine-month period approximately 17,000 individual frames of operational photographs were provided from the fixed basehouses. These served to confirm the identities of Embassy personnel and their visitors and provided detailed reporting on the movement and habit patterns of selected targets of special interest. The mobile unit (LIENTRAP) provided over 1,000 individual photographs. Of particular value were photographs of local and exile Communist leaders. Raymond H. GERENDE (p) continued in the role as principal agent for Project LIEMPTY. His overall operational assignment involved at least 12 clandestine meetings per week, in addition to his meetings with the LIEMPTY project case officer.

PROBLEMS: In mid 1966 LICOWL/1, who owns a small store near the Soviet Embassy, reported that a Soviet official had approached him and asked him to inform on his neighbors. Reportedly the Soviet named LIEMPTY/6 of the LIMITED basehouse by name and also asked about the tenants of the building housing LILYRIC. However, in view of LICOWL's previous history of lying, it is difficult to assess exactly what the Soviets requested and just what LICOWL/1 may have told them. The Station is still looking into this development.

SECRET

FUNDS : $45,000 — $29,020 in FY 67 — $15,980 in FY 68

Programmed for $45,000 FY 67

Salaries:	
GERENDE	$ 7,000
Others (8)	23,900
Vehicle maintenance (2)	5,000
Rent and utilities	7,600
Equipment maintenance and replacement	500
Miscellaneous operational expenses	1,000

PREVIOUS APPROVALS:

1 Dec 65 - 30 Nov 66	$41,500
1 Dec 64 - 30 Nov 65	45,300
1 Dec 63 - 30 Nov 64	49,700
1 Dec 62 - 30 Nov 63	49,900
1 Dec 61 - 30 Nov 62	49,500
1 Dec 58 - 30 Nov 59	95,380

STAFF COMMENTS: FI and CI Staffs concur in renewal.

CI STAFF: Strongly urges the Station to continue its close monitoring of Soviet interest in the installation buildings and attempts to obtain information on sensitive project personalities. The Station should devise necessary contingency plans of action to eliminate any security hazards if it is determined that the Soviets are intensifying such efforts and could be getting "too close" to the project installations, personalities and activities.

SECRET

8 JAN 1967

MEMORANDUM FOR: Assistant Deputy Director for Plans

THROUGH: MPS/BG

SUBJECT: Project LIEMPTY

1. This action seeks renewal of Project LIEMPTY covering Mexico City Station's stationary surveillance basehouses aimed against the Soviet Embassy. The activity will cost $49,000 for the period 1 December 1966 to 30 November 1967. Approval is recommended.

2. Project LIEMPTY has been in being for nine years. At present it supports three stationary basehouses near the Soviet Embassy and a mobile photographic basehouse. These are used to obtain photographic coverage and logs of Soviet movements and visitors to the Soviet Embassy. The mobile basehouse is used also to cover meeting sites of the local communist parties and targets of opportunity.

3. A principal agent and eight agents are used in the LIEMPTY activity. The agents are variously employed as basehouse keepers, photo lab technicians and surveillance operators.

4. Security has been generally good although one incident occurred in mid 1966 which may have some impact on the future security of the operation. An approach was made to an agent of the Station, who owns a small store near the Soviet Embassy, to report on his neighbors among whom are some of the LIEMPTY agents. One, LIEMPTY-6, was mentioned by name. The Station is watching this development carefully.

4. The LIEMPTY activity proved its worth during the past year when check was made on conflicting stories told by two Station agents. The LIEMPTY surveillance reports proved that one of the agents was lying about his contacts with the Soviets. LIEMPTY is well managed and continues to serve an important Mexico City Station need.

Robert E. Andersen
ROBERT E. ANDERSEN
Acting Chief
Foreign Intelligence

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(When Filled In)

PROJECT ACTION

PROJECT CRYPTONYM: LIEMPTY

TYPE OF ACTION		FI	CI	CA	OTHER
		X			

	NEW PROJECT APPROVAL	DIVISION	Western Hemisphere Division
	AMENDMENT NO.	FIELD STATION	Mexico City
X	RENEWAL FY 1967-68	BRANCH	One
		DESK	
	EXTENSION	CASE OFFICER	C. Bustos-Videla
		DATE	18 Nov. '66
	TERMINATION	ROOM NO.	332
		BUILDING	Ames
		TEL. EXT. RED / BLACK	3654

CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATE	DO NOT USE THIS SPACE
C/WH/1	W. J. Kaufman		
C/WH/B&F	~~Robert Carter~~	9/25/66	
C/WH/SS	George R. Thompson		
C/WH/FI	Thomas Polgar	6/10-66	
WH/EXO	Donald C. Marelius	12/2/66	
C/WHD	William V. Broe by	12/10/66	

CONCURRENCES OF OTHER COMPONENTS

		DATE	COPY NO.	MEMO ATTACHED YES	NO	DATE
FI Staff	-s/Robert E. Andersen	6 Jan 67		X		6 Jan 67
CI Staff	-s/Frank W. Hughes	16 Dec 66				
C/MPS/BG		12 Jan 67				

APPROVAL

PERIOD FROM	TO	AMT THIS ACTION	FY	REVISED TOTAL
1 December 66	30 Nov 67	$ 45,000.00	1967	$ 29,020
			1968	$ 15,980

APPROVING AUTHORITY	SIGNATURE	DATE
A/DDP		[illegible]

FORM 848 OBSOLETE PREVIOUS EDITIONS

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(5)

14-00000

SECRET

10 DEC 1966

MEMORANDUM FOR: Deputy Director for Plans

SUBJECT : LIEMPTY Project Renewal

1. It is requested that the LIEMPTY Project be renewed for the period 1 December 1966 through 30 November 1967 for a total of $45,000: $29,020 for FY 1967 and $15,980 for FY 1968. The Project is included in the FY 1967 Operational Program for $45,000. Funds are available within WH Division.

2. LIEMPTY covers stationary surveillance basehouses targeted against the Soviet Embassy. These basehouses provide photographic coverage and logs. Two of the basehouses (LIMITED and LILYRIC) cover the activity in the front of the Embassy, and LICALLA provides coverage of the back courtyard area. The LIEMPTY project also covers a mobile photographic basehouse in the form of a panel truck which is used against the Polish Embassy where we have no permanent surveillance basehouse, and against other targets of opportunity.

3. The value of Soviet Embassy photographic coverage during the past year was proven when the logs maintained by LILYRIC were used to double check on an operation involving LIRUSTIC-1 and LICOWL-1 who had told conflicting stories of certain events concerning the activity of some Soviets. Through the surveillance reports of the LIEMPTY Project against the Soviet Embassy, it was proven without a doubt that LICOWL-1 (who had just taken a polygraph without apparent deception) was lying about his contacts with the Soviets.

4. The LIENTRAP mobile photographic basehouse was targeted against leaders and meeting sites of the local Communist parties as well as other targets of opportunity, particularly exile Communist leaders now residing in Mexico. LIENTRAP provided up-dated identification

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GROUP 1
Excluded from automatic downgrading and declassification

photographs of Communist officers which are of value to both the JMTIGER program and the Station's recruitment/penetration program. The LIENTRAP personnel also regularly service twenty-one postal accommodation addresses used by the Mexico City Station.

5. One development which may affect the security of the LIEMPTY basehouses of LIMITED and LILYRIC occurred in mid 1966 when LICOWL-1 (who owns a small store near the Soviet Embassy) reported that a Soviet official, AEQUALITY-1, had approached him and requested him to inform on his neighbors. Reportedly the Soviet named LIEMPTY-6 (of the LIMITED basehouse) by name and also indicated all the tenants (unnamed) of the new building which now houses LILYRIC. The Soviet pinpointed the building by saying the one being built by a person who fit perfectly the description of LIMOUSINE. LICOWL-1 did not indicate that the Soviet reflected any interest in LIMOUSINE. The occupants of the LILYRIC basehouse were not mentioned. LICOWL-1 indicated to his Station contact that the only person he really suspected in the neighborhood was LIEMPTY-6 (of LIMITED) who doesn't go to work, is always typing, lives comfortably, and owns a car. He claims to have heard it rumored that LIEMPTY-6 was working for the Americans. (Since LIMITED is equipped with a radio and tips off the Station's surveillance team when it is used against Soviet targets, Headquarters has already assumed that the Soviets have identified this basehouse.) LICOWL-1 also listed several persons named by the Soviet who had no connection whatsoever with CIA.

6. The Station instructed LICOWL-1 not to become an informant on his neighbors. According to LICOWL-1, he therefore told AEQUALITY-1 he did not have time to collect the information the Soviet wanted. However, in view of the lies LICOWL-1 has been caught in, it is difficult to assess exactly what the Soviets asked of LICOWL-1 and just what LICOWL-1 may have told the Soviets. The Station is still looking into this development.

7. WHD recommends renewal of this Project.

by Jacob D. Esterline
William V. Broe
Chief,
Western Hemisphere Division

PREVIOUS PROJECT ACTION

SECRET

DDP/FG/FI
9 Feb 66

PROJECT BRIEFING

PROJECT: LIEMPTY — WH - Mexico

ACTION : ADD/P approval of renewal — 1 Dec 65 - 30 Nov 66

PURPOSE: To provide support for mobile and stationary photographic surveillance of the Soviet Embassy and a dispatching base for a physical surveillance team.

PROGRESS: Assets included under the project include three base-houses which provide front and rear views of the Soviet Embassy, and a panel truck equipped for spot photo coverage. Raymond H. GERENDE (p), principal agent, meets the basehouse keepers regularly, maintains regular contact with the mobile photo unit and with the developing and processing base. He also performs many other support functions.

The photographs from all these operations have been of value to the Station in operational planning, for identification by surveillance teams, for mug books, and for Headquarters permanent files. The Station believes that this operation is essential to the fulfillment of the overall operational program levied on the Station by the RMD.

FUNDS : $41,500 — $25,520 in FY 66 — $15,980 in FY 67

(Programmed for $50,000 in FY 66)

Salaries	
GERENDE	$ 7,000
Basehouse keepers (3)	10,100
Mobile unit operators (2)	7,000
Lab personnel (2)	3,600
Cut-out	2,200
Vehicle maintenance (2)	2,000
Rent and utilities	7,600
Equipment maintenance	1,000
Miscellaneous ops expenses	1,000

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PREVIOUS APPROVALS:	1 Dec 64 - 30 Nov 65	$45,300
	1 Dec 63 - 30 Nov 64	49,700
	1 Dec 62 - 30 Nov 63	49,900
	1 Dec 61 - 30 Nov 62	49,500
	1 Dec 60 - 30 Nov 61	53,000
	1 Dec 58 - 30 Nov 59	95,380

STAFF COMMENTS : FI and CI Staffs concur in renewal.

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(When Filled In)

PROJECT ACTION

PROJECT CRYPTONYM: LIEMPTY

TYPE OF ACTION		XX FI/CI	CA	OTHER
	NEW PROJECT APPROVAL	DIVISION: Western Hemisphere		
	AMENDMENT NO.	FIELD STATION: Mexico City		
X	RENEWAL FY 1966	BRANCH: 1	DESK: Mexico	
	EXTENSION	CASE OFFICER: C. Bustos-Videla	DATE	
	TERMINATION	ROOM NO.: GH-43	BUILDING: Hdqs	TEL. EXT. RED 9325 BLACK 4506

CONCURRENCIES OF DIVISION

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATE	DO NOT USE THIS SPACE
C/WH/1	W. J. Kaufman	11/29	
WH/B&F	Robert D. Carter	2 Dec 65	
WH/SS	W. E. Brooks	12/3	
C/WH/FI	Thomas Polgar	16/12	
WH/EXO	Donald Marelius	28/12/65	
C/WHD	William V. Broe	30/12/65	

CONCURRENCIES OF OTHER COMPONENTS

		DATE	COPY NO.	MEMO ATTACHED YES	NO	DATE
FI Staff	-s/Robert E. Andersen	4 Feb 66		X		4 Feb 66
CI Staff	-s/Frank W. Hughes	7 Jan 66				
C/DDP/PG	[signature]	11 Feb 66				

APPROVAL

PERIOD FROM	TO	AMOUNT OF ACTION	FY	TOTAL AMOUNT
1 Dec 1965	30 Nov 1966	$ 41,500.00	1966	$ 25,520.00
			1967	$ 15,980.00

APPROVING AUTHORITY: Assistant Deputy Director for Plans

SIGNATURE: [signature]

DATE: 11 FEB 1966

14-00000

4 FEB 1966

MEMORANDUM FOR: Assistant Deputy Director for Plans

THROUGH: DDP/PG

SUBJECT: Project LIEMPTY Renewal

1. FI Staff recommends approval of the renewal of Project LIEMPTY. This project, costed at $41,500., supports the following Mexico City assets: a panel truck used for mobile photography, three base houses for fixed photographic surveillance, a contract agent manager and eight support agents. One of the base homes is used as a control point to dispatch a surveillance team. (The latter is not a part of the project, however.)

2. The LIEMPTY target is the Soviet Embassy and Soviet activities in Mexico City. LIEMPTY is part of the complex of station instruments by means of which requirements from a variety of U.S. agencies are met. One of the sites provided pictures later used in the Warren Commission Report, and the publication of the report created a security hazard. The Station moved the site and it is now back in operation.

3. The possibility of Soviet intercept of radio commo to the surveillance team has been carefully weighed recently by SR, the desk, O/C and TSD. The decision to accept the risk appears to have been taken with due deliberation.

4. This is clearly an effective, well-managed operation serving an important need. We recommend renewal without hesitation.

Robert E. Anderson
for W. LLOYD GEORGE
Chief
Foreign Intelligence

Attachment
Project

SECRET

30 DEC 1965

MEMORANDUM FOR: Deputy Director for Plans

SUBJECT : Project LIEMPTY Renewal Request

1. Renewal is requested for the LIEMPTY Project for the period 1 December 1965 through 30 November 1966 for a total of $41,500; of this amount, $25,520 should be alloted for FY 1966 and $15,980 for FY 1967. This Project has been programmed in FY 1966 for $50,000. The last Project Renewal was approved at $45,300. Funds are available within WH Division.

2. The security of this Project appears to be good. The LIENTRAP photo truck was repainted a different color in January 1965 to preserve the security of this vehicle which operates extensively in the same general areas. There have been no apparent ramifications from the publication of the LIMITED Photograph in the Warren Commission Report in September 1964.

3. LIENTRAP is one of two mobile photo surveillance units at the Station, both of which are used extensively because of the many requirements for spot photo coverage of diplomatic installations, agent meetings, and current identification photos of targets among others.

4. Although there are three stationary photo basehouses under this Project all targeted against the Soviet Embassy, there is very little duplication of effort, and the coverage of this Embassy would be weakened through the termination of any of them. LICALLA covers the rear of the Embassy (garden and parking lot) and is in a unique position to observe informal meetings and activity there. In May 1965 a thorough assessment was made of this basehouse to determine whether an audio installation could be based here, directed against these garden conversations. It was determined that due to the high incidence of street and other noises, this was not practical. TSD and SR Divisions are conscious of this requirement, however, and if any new equipment is developed which might make this operation more feasible it will be tested. LIMITED and LILYRIC which both cover the front entrance, provide coverage during different parts of the day, and LIMITED also serves as a fixed radio

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GROUP 1
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dispatching base for the LIEMBRACE surveillance team.

5. The photographs from all these operations are of value to the Station in their operational planning, for identification by surveillance teams, for mug books, which are often used by surveillance teams and singleton agents in identifying Soviets, and for Headquarter's permanent files.

6. With reference to the FI Staff comment made last year at the time of the Project renewal that the radio dispatching from the LIMITED installation might have made this base a target for the RIS, the problem was discussed in depth with the Office of Communications, TSD, and SR Divisions. The Station has been alert to the Soviet's monitoring capability and they have developed a signaling system and intercar communications system that will leave the LIEMBRACE surveillance cars on the air for a minimum of time, and with limited open conversation. The result of Headquarters and the Station's research on this problem resulted in the conclusion that, if a surveillance team is to operate with automobiles, radios must be used if there is to be efficient surveillance, and regardless of what presently available type of scrambling or coding is used, radio is susceptible to monitoring by the opposition. It was therefore concluded that if the Station is to use the LIEMBRACE team against members of the Soviet installation, LIMITED must continue to be used as the radio dispatching center and the risk factor must be accepted until some new, more secure yet efficient commo system is devised.

7. The reporting on the administration of this Project is handled through regular quarterly progress reports. The appropriate Soviet, CP, or other Case Officers handle the reporting and exploitation of the product. During the past year there were no positive intelligence reports from this Project.

8. Both SR and WH Divisions recommend renewal of this Project.

by [signature]
William V. Broe
Chief
Western Hemisphere Division

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1-0581

MEMORANDUM FOR: Chief of Operations, DD/P

SUBJECT : Project LIEMPTY (Renewal)
WH - Mexico City

1. The attached project, originating in WH Division, is presented for renewal for the period 1 December 1960 through 30 November 1961. The project provides for physical and photographic surveillance operations in support and exploitation of other Mexico City Station operations, particularly those targetted at Soviet personnel and installations.

2. Authority is requested to obligate $53,000 from the DD/P-WH Division budget: $31,900 in fiscal year 1961, and $21,100 in fiscal year 1962, subject to the availability of funds. The amount includes $38,000 compensation for two principal agents, one clerical support agent on an hourly basis, and eleven surveillance and support agents; $7,000 operational expenses (safehouse procurement, post office boxes, rented automobiles, purchase of information, vehicle maintenance, and operational travel); $2,500 replacement, repair and maintenance of photographic equipment; and $5,500 basehouse rental, utilities, and maintenance.

3. The field's renewal request, supported by a covering memorandum of the Division, sets forth accomplishments of the project in the past year in terms of objectives and estimates effectiveness. It is noted that one principal agent, Simon D. CLACKETT (p), resigned in October 1960, and the four-man surveillance team previously handled by him will be transferred to project LITEMPO, consequently being omitted from LIEMPTY in this renewal. Three basehouses continue to be operated under the project: (a) LIMITED, which compiles daily logs on arrivals and departures from the LIMERICK installation, together with attendance lists of LIMERICK employees, and handles the radio dispatch of the LIEMBRACE surveillance team on LIMERICK personnel and targets

SECRET

of opportunity. This basehouse also provides photographic coverage, concentrated on visitors. (b) LILYRIC which provides clandestine photographs particularly of visitors to, as well as employees of, the LIMERICK installation, prepares weekly reports on LIMERICK employees and their wives, and reports on license numbers of all cars visiting the installation. (c) LICALLA, which concentrates on photographic coverage of LIMERICK employees and their families, as well as providing observation on the apparent positions and jobs of the target employees, and as well as personnel changes. Additional photographic coverage is provided by the mobile LIENTRAP vehicle. Principal agent Raymond H. GERENDE (p) continues to coordinate basehouse activities; principal agent Oliver G. SCANTLING (p) continues to be an independent asset used to follow-up and exploit operational information on target personnel and installations, to case various installations of interest, to acquire property, etc. SCANTLING has managed the surveillance team being transferred to LITEMPO in the interim following the resignation of CLACKETT. The Station notes that activities at the LICALLA basehouse were suspended in September 1960 as the result of the arrest of a knowledgeable TSD technician in another area and it is not known precisely when it will be possible to resume these operations. The Station believes that the GERENDE segment is now operating under optimum arrangements and SCANTLING will soon be relieved from his interim responsibility for the surveillance team being transferred to LITEMPO and can concentrate more on his investigative and casing activities. It is not planned in the coming year to expand project activities.

4. Appropriate Special Staff components concur in recommending renewal. FI Staff notes the Division's assurance that the transfer of the unilateral surveillance team to LITEMPO will not affect its independent status, and remarks that the current project review presents a clearer picture of the usefulness of the several segments than the previous one.

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5. I recommend renewal of Project LIEMPTY as presented.

S. M. Hines
S. M. HINES
Chief, DDP/PG

Approved: Richard Helms
COP-DD/P

3 FEB 1961
Date

Attachment:
Project Outline LIEMPTY
FI Memorandum

Staff Coordination:
For FI Staff -s/R. Bryant
For CI Staff -s/R. Brown
For CCG -s/F. Youngblood

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25 JAN 1961

MEMORANDUM FOR: DDP/COPS

THROUGH: DDP/PG

SUBJECT: Project LIEMPTY

FI Staff recommends renewal, with the assurance of the desk that the transfer of the unilateral surveillance team to LITEMPO will not affect its independent status. This review presents a clearer picture of the usefulness of the several segments than the previous one.

W. LLOYD GEORGE
Chief
Foreign Intelligence

Attachment
Project

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8 JAN 60

MEMORANDUM FOR: Chief of Operations, DD/P

SUBJECT : Project LIEMPTY (Renewal)
WH - Mexico

1. The attached project, originating in WH Division, is presented for renewal for the period 1 December 1959 through 31 November 1960. The project provides for physical and photographic surveillance operations in support and exploitation of other Mexico City operations, particularly those targetted at Soviet personnel and installations.

2. Authority is requested to obligate $84,910 from the DD/P-WH Division operating budget: $49,485 for fiscal year 1960 and $35,425 for fiscal 1961, subject to the availability of funds. These sums include $61,910 compensation for five contract agents (three of whom serve as principal agents for segments of the project), and sixteen support agents; $3,500 for vehicle maintenance and commercial carrier travel; $7,500 for operational equipment; $5,000 for maintenance of three safehouses; $2,000 for additional safehouse, post office box, and vehicle rental; $1,000 exchange commodities; $2,000 "key" money, broken contracts, etc.; and $2,000 for the purchase of information, documents, payment of bribes, etc.

3. The attached renewal request, prepared in the Division and supported by a project review prepared in the Field, reviews the activities of the project during the past year and present a detailed breakdown of the funds requested. The project operates in three segments: (a) Contract agent Oliver G. SCANTLING is an independent asset who is used to follow-up and exploit operational information on target personnel and installations, to case various installations of interest, acquire property, etc.; (b) a photographic surveillance team, under principal agent Raymond H. GERENDE, utilizing three houses or apartments and one photo truck; and (c) a physical surveillance team under principal agent Simon D. CLACKETT, consisting of three trained members at the present time. The attached renewal request reviews the activities and accomplishments of the project in terms of these three segments and in relation to project objectives. SCANTLING's contribution to the collection of operational information pertaining to Soviet personnel and installations is regarded by the Station as unique. He also

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trained CLACKETT in radio controlled mobile surveillance. SCANTLING also has rendered valuable support to the LITACIT operation having gained entry to the target under a fabricated cover. He has also cased and prepared reports on the LITABBY target in preparation for future operations and performed investigations of numerous other Station targets of opportunity. He investigated many leads from other audio-surveillance operations enabling the Station to maintain current data on various Soviet contacts and resulting in a recruitment attempt which, while unsuccessful, is believed to indicate future potential along this line. He has further been used to develop radio procedures for the mobile teams and to rent various properties in support of other Station operations. The GERENDE segment, using three base houses for photography, produced upwards of 12,000 photographs during the year. One base has recently begun taking motion pictures of Soviet personnel in the course of conversation which have been forwarded to FI/D for possible exploitation by lip reading analysis. This segment also operates the mobile radio surveillance vehicles. A mobile photography surveillance truck has been used during the project year for coverage of various Station targets which do not warrant the establishment of permanent photographic bases. GERENDE has also served to rent post office boxes, hotel rooms, etc., in support of other Station operations. During the past project year CLACKETT, who returned to Mexico in early April 1959 after Headquarters training, spent the following two months being trained by SCANTLING in mobile surveillance techniques. He then undertook training of a four member team which was judged ready for operational use toward the end of the project year. Two additional contract agents, Wilma J. FIORDALISI and Louise J. MACKINO, performed translation and support functions.

4. Appropriate staff components concur in recommending renewal.

(a) CI Staff notes that the CI value of the project is difficult to judge since it appears that much of the material produced remains in the Station for exploitation. However, CI Staff remarks that the value of the project should be increased when the CLACKETT surveillance team enters into active operation. CI Staff suggests that the Station be queried as to the pretext or circumstances under which SCANTLING frequently visits Inez Perada de Moreno, the occupant of the property adjacent to the Soviet installation.

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(b) FI/OPS notes that while the project review presents a clear picture of the aims and objectives of the various segments, it does not provide, except in the case of SCANTLING, detailed indication of the value or usefulness of the other segments, particularly the photographic activity. FI/OPS requests that the Station provide such an appraisal during the first quarter of 1960. FI/OPS recommends strongly that the photo coverage be reviewed from the standpoint of value and usefulness with a view to determining whether the LILYRIC activity could not be safely eliminated and the additional photographic coverage conducted on a more selective basis, without materially affecting overall usefulness. FI/OPS notes that, in the absence of further proof of usefulness, the color photography and moving pictures appear to be an unnecessary luxury. FI/OPS commends the careful handling of the CLACKETT segment and requests that the next project action include examples of the team's progress.

5. I recommend renewal of Project LIEMPTY as presented with attention to the staff comments in paragraph 4 above.

W. Lloyd George
W. LLOYD GEORGE
Chief
Foreign Intelligence

Approved: Richard Helms — COP-DD/P   JAN 8 '60 — Date

Attachment:
Project Outline LIEMPTY

Staff Coordination:
For C/FI/OPS -s/R. Bryant
For CI Staff -s/R. Brown
For C/CCD -s/F. Youngblood

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SECRET

9 December 1959

MEMORANDUM FOR: FI - Projects Branch

SUBJECT : Purchase of One Automobile and Increase of LIEMPTY TVA by One

1. According to the Project Renewal Request for LIEMPTY from the Mexico City Station, they plan to increase the LIEMPTY surveillance team during the coming year by two agents. To maintain the efficiency of an enlarged team, they will require one additional automobile.

2. It is requested that the TVA for LIEMPTY be increased by one automobile and that the Station be authorized to purchase locally this automobile for use under the LIEMPTY Project.

J.C. King
C/WHD

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(When Filled In)
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SUPPORT ANNEX - TABLE OF VEHICULAR ALLOWANCE

1. PROJECT: LIEMPTY

2. SENIOR STAFF:

4. AREA
- A. DIVISION: WHD
- B. BRANCH: III
- C. DESK: MEXICO

3. TYPE OF ACTION (Check one)
- A. NEW TVA
- B. AMENDMENT OF EXISTING TVA

5. REQUESTED ACTION

ITEM	TYPE	TOTAL ON HAND	TOTAL PRESENT TVA	TOTAL PROPOSED TVA
A.	SEDAN 2 or 4 door used passenger American or foreign		4	5
B.	STATION WAGON			
C.	OTHER (List below)			
(1)				
(2)	Panel truck		1	1
(3)				
(4)				
(5)				
D.	TOTALS		5	6

6. REVIEWED BY			7. APPROVAL REQUESTED BY		
SIGNATURE LOGISTICS OFFICER	DIVISION	DATE	SIGNATURE CHIEF, ADMIN.	DIVISION	DATE
JAMES S. BURWELL James S. Burwell	WH/LOG	11 Dec. 1959	PAUL E. ARNESON [signature]	WH/SUPPORT	11 Dec 1959

8. APPROVED		9. AUTHORIZED	
BY DIRECTION OF DDP	DATE	BY DIRECTION OF DD/S	DATE
[signature]	12/1/60		

FORM NO. 1116 TEST
1 NOV 58

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MEMORANDUM FOR: Chief, FI

SUBJECT : Project LIEMPTY Amendment

HEADQUARTERS CASE OFFICER:

Name: J. B. Brady
Room: 2114 Barton Hall
Ext.: 2555
Date: 23 June 1959

1. It is requested that approval be granted to amend Raymond H. GERENDE's contract to provide him with a termination settlement of one month's salary for each full year that he works for KUBARK and to raise his salary effective July 1959 from $4,080 to $4,560.00 per year. His last salary increase was granted on 1 September 1957. The date, 18 March 1955, has been suggested by the Station as the beginning date for the computation of GERENDE's termination benefits. The Station believes that this benefit will provide GERENDE with the necessary incentive to make KUBARK a career and at the same time will give the Station an additional element of control.

2. As pointed out in the LIEMPTY Project Approval, GERENDE, an indigenous agent, is one of the Station's most valuable assets. He has a responsible full time job as the LIEMPTY Principal Agent who handles the LIMITED, LILYRIC and LICALLA base houses, the LIENTRAP operation, the outside photographic processing and translation service and all the agents participating in these activities. He performs his duties in a conscientious and professional manner and his already excellent abilities are showing continued improvement.

3. Money was already allocated in the LIEMPTY Project approval for the salary increase. With the effective date of 18 March 1955, for the termination clause, GERENDE will already have accrued $1,520 (his salary is $4,560 per year) if he should resign today. The LIEMPTY Project, as approved, has sufficient funds to cover this cost if it is necessary to obligate this amount during the present Project year. Therefore, no additional funds are requested.

Robert N Dahlgren
R. N. Dahlgren, C/WH/III

Attachments:
Folder with past approval
Envelope with true name

Concur: Richard W. Kline
Chief, FI/OPS

Paul F. Patton
for C. W. Anderson, WH/FI

Approved: Eden Simmons
for Chief, FI

Date: 14 July 59

Approved for Transmittal: R. Gomez
for J. C. King, C/WHD

Senior Staff Coordination
For C/FI/OPS -s/R. Bryant
For CI Staff -s/R. Brown

Approved: R. Gomez
for J. C. King, C/WHD

16/VII/59
Date

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27 March 1959

MEMORANDUM FOR: Chief of Foreign Intelligence

SUBJECT : Project LIEMPTY (Amendment)
WH - Mexico City

1. The attached project, originating in the WH Division, provides the services of a surveillance activity to support Mexico City operations and is approved for the period 1 December 1958 through 30 November 1959. It is presented for your approval of amendment to include the addition of a contract agent, Louise J. MACRINO, to furnish administrative support, and also to formalize a special commitment made to one of the two principal agents, Oliver G. SCANTLING. A contract prepared in the Field and signed by the agent permits the payment of one year's salary to him or his assigned heirs in event of loss of life or total disability if incurred in the performance of duty. This has not previously been included in the project.

2. The LIEMPTY project has authorization for the expenditure of $95,380. No additional funds are required for the amendment. Sufficient funds remain in the project to absorb the salary expenses for MACRINO and funds to cover the extra year's salary for SCANTLING will not be requested until such time as they are needed.

3. Memoranda prepared in the WH Division supporting the request for amendment are attached, summarizing the important factors involved. These detail SCANTLING's performance and provide a resume of MACRINO's past activities in behalf of the Agency.

4. Staff Components have concurred in amendment to Project LIEMPTY.

5. I recommend approval of amendment of Project LIEMPTY as presented.

Benjamin A. G. Fuller
Chief, FI/OPS Division

Approved: [signature]
Chief, Foreign Intelligence

30 March 59
Date

Attachment:
Project Outline LIEMPTY

Staff Coordination:
For C/FI/OPS -s/V. Hoffmann
For CI Staff -s/R. Brown
For DC/CCD/NC -s/F. Youngblood

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MEMORANDUM FOR: Chief, FI

SUBJECT : Amend LIEMPTY Project to Include a Special Benefit for Oliver G. SCANTLING (ps) and to Include Louise J. MACRINO (ps)

HEADQUARTERS CASE OFFICER:

NAME J. B. Brady
ROOM 2114 Barton Hall
EXT. 2555 or 3152
DATE 5 March 1959

1. It is requested that approval be granted to give Oliver G. SCANTLING a special benefit of one year's salary to him or his assigned heirs in the event of loss of life or total disability if incurred in the performance of duty. This benefit was included in a contract prepared in the field and signed by Subject on 15 February 1957. The contract was not submitted to Headquarters for approval until December 1958. The Station and WH Division do not want to delete this benefit from Subject's contract at this time and we feel Subject deserves this benefit.

2. SCANTLING, a civil engineer, is a Mexican citizen, who is 40 years old. He was granted an Operational Approval on 2 December 1954. SCANTLING began his employment with KUBARK as a footman on the LIPSTICK physical surveillance team and gradually became a driver of a surveillance automobile, then team leader. As team leader he was responsible for the operational deployment and administrative direction of the entire LIPSTICK team, three automobiles, four photographic and radio dispatching basehouses and the attendant mobile and stationary radio equipment. He collated the fragmentary surveillance reports into finished intelligence reports for study by the Case Officer. SCANTLING developed into a fine investigator and has obtained information where other Station investigative assets have failed.

3. Almost all of SCANTLING's time now is spent following up leads obtained from telephone intercepts and photographic surveillances. From July through December 1958 he made approaches to individuals performing services for the Soviet Embassy and he made a detailed casing report of the West German Embassy. In addition, he conducted many routine investigations and surveillances. The Station plans to have SCANTLING attempt to recruit the landlord of the proposed basehouse for a LINIMENT (FI/D) operation. SCANTLING no longer handles the surveillance team and the Station plans to continue to use him as an independent asset. SCANTLING has in his possession official credentials of the Federal Security Police (DFS). He has used these credentials in making contacts with targets of various sensitive Headquarters' operations (i.e., LCMAYFOWL).

4. As a graduate engineer who has spent at least ten years in house construction in Mexico, he has been invaluable to the Station in submitting detailed casing reports, including detailed and professional plans of technical targets. He has been commended by TSS for the support role he has played for them. He has submitted several casing reports on the Soviet Embassy and is an unparalleled source of information to the Station for information about the Embassy's construction activities, modifications and reasons for same.

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5. For your information there is attached the Station's review of SCANTLING for the period July through December 1958. It is believed you will find this report of interest and further support the justification outlined above for the granting to SCANTLING of the special death and disability benefit. This agent assessment states "Oliver O. SCANTLING has continued to perform his assigned tasks in an outstanding manner. SCANTLING's poise, common sense, education, ideology, and native ability for the pursuit of clandestine activities make him one of the most valuable support assets available to the Mexico City Station. The fact that SCANTLING has a full time overt occupation as Chief Engineer and Production Manager for a local manufacturing company adds to his long-range potential as a KUBARK agent". SCANTLING has excellent cover as half-owner of a local firm which manufactures farm instruments and he represents the high calibre of person which KUBARK requires for the institution of their long-term resident agent program.

6. The LIEMPTY Project (now approved for $95,3[illegible]0) will not be amended at this time to include an extra year's salary for SCANTLING ($[illegible],000). In the event it becomes necessary to fulfill this commitment during the project year, and if the expense cannot be absorbed by the present project authorization, an amendment will be submitted.

7. It is also requested that effective 1 March 1959 the LIEMPTY Project be amended to include Louise J. MACRINO, a Contract Agent, who is a Station support asset. Her OA was reinstated on 8 August 1958 (C-[illegible]). She was formerly included under Project LIFEAT. However, the Station requirements for general translation work increased to the extent that it was necessary to use MACRINO to translate reports other than those originating from LIFEAT. It was therefore decided it would be more appropriate to include her under LIEMPTY. She does typing of reports and non-sensitive translations. She is paid on an hourly basis of $2.[illegible], an estimated yearly salary of $3,500. The Station stated that the present LIEMPTY Project could absorb the expense of her salary for the remainder of the Project year.

[signature]
R. N. Dahlgren, C/WH/III

[signature]
C. W. Anderson, WH/PI

[signature]
R. E. Gomez, AC/WHD

13 / March / 59
Date

Attachments:
Folder with LIEMPTY Project Approval
Envelope with true names
HMMA 12095 (1 copy) KAPOK

SECRET

MEMORANDUM FOR: Chief of Operations, DD/P 16 JAN 1959

SUBJECT : Project LIEMPTY (Approval)
WH - Mexico City

1. The attached project, originating in WH Division, is presented for your approval for an initial period from 1 December 1958 through 30 November 1959. The project provides for the development of operational information through physical and photographic surveillance operations in support of other Mexico City operations, particularly those targetted at Soviet personnel and installations. Previously these operations were conducted for the most part under Projects LIPSTICK and LIJERSEY. They are incorporated in this new project because of the June 1958 compromise of LIPSTICK and to accomplish a more orderly administration of certain operational support assets.

2. Authority is requested to obligate $95,380 from the DD/P-WH Division operating budget: $65,580 for the current fiscal year and $29,800 in fiscal year 1960, subject to the availability of funds. These estimates include: (a) funds for the compensation of the presently-recruited fifteen action and support agents, six new agents, and two principal agents: Raymond H. GERENDE (p) (LIEMPTY/1, formerly LIPSTICK/20) and Oliver G. SCANTLING (p) (LIEMPTY/2, formerly LIPSTICK/19); (b) funds for the compensation, travel, allowances and Headquarters' training of two contract agents, Simon D. CLACKETT (p) and Wilma J. FIORDALISI (p), his wife, who are hereby transferred from Project LIMESA; (c) funds for operational expenses and equipment, including the purchase of four new or used vehicles as replacements for previously authorized vehicles and their maintenance, and a CP vehicle for SCANTLING; (d) the rent, utilities and maintenance of safehouses; and, (e) other appropriate operational expenses.

3. The attached Field Project Outline, a covering memorandum from the Division, and an addendum to the Project Outline, review the personnel assets and facilities transferred from the LIPSTICK and LIJERSEY operations following the partial compromise of LIPSTICK in June 1958 and describe the concept of the physical and photographic surveillance operations to be conducted under this project directed primarily at the Soviet Embassy in Mexico City. These surveillances provide photographs and other operational data of persons entering and leaving the building or present in the garden area, and through additional foot and mobile surveillances, investigative information concerning their contacts and destinations. Agent personnel, particularly the principal agents, are used also to conduct separate investigations, make recruit-approaches to

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individuals of operational interest, and to rent rooms, and apartments and perform other support activities. The fixed surveillance bases, LIMITED, LILYRIC and LICALLA, have been in operation for almost three years without having been in any compromising situations insofar as the Station knows. The LIPSTICK unit, a panel truck equipped with cameras, etc., is considered a particularly valuable asset by the Field. As a replacement for a staff agent, Wilfred O. CLOWER (p), who directed and trained the LIPSTICK surveillance team, the husband and wife team of CLACKETT and FIORDALISI are proposed as qualified individuals to recruit, train, and direct the new LIEMPTY surveillance team and maintain its records. Appropriate notional cover was arranged for them while in their previous project, LIMESA, as they reside in Mexico under true names. One of the principal agents, GERENDE, will have no contact with the new surveillance team, but will be used to conduct special investigations, counter-surveillances, and for other support activities.

4. The CI Staff comments that LIEMPTY provides several types of physical surveillance, all of which provide information of CI interest, and as a support mechanism, a production review is not appropriate or necessary. The CI Staff states further, that with the compromise of the LIPSTICK surveillance team the Mexico City Station lost its only reliable and efficient surveillance team, LIEMPTY representing the Station's effort to replace that asset. Because of the great number of CI targets in Mexico City, the CI Staff believes it is essential that the Station be given the opportunity, through this project, to build another surveillance team capable of operating against sensitive targets. Additionally, the CI Staff believes the case officer should work at devising ostensible sources of incomes for the agents which will stand the scrutiny of friends, relatives and less friendly forces.

5. FI/OPS suggests that the Division consider a gradual reduction of the considerable financial and personnel commitments in this project in view of the favorably developing LIENVOY liaison relationship. FI/OPS believes that a smaller, more manageable support group, with greater Station emphasis on selectivity of tasks and targets could well result in more effective CI and FI productivity.

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6. I recommend approval of the project and the transfer of the contract agents as outlined above. The Division is requested to take cognizance of the suggestions of the CI Staff and FI/OPS in the paragraphs above relative to the security and the overall direction of the surveillance activities to make them more efficient.

Benjamin A. G. Fuller II
BENJAMIN A. G. FULLER II
Chief
FI/OPS Division

Lloyd Karamessines
for W. LLOYD GEORGE
Chief
Foreign Intelligence

Approved: Richard Helms
COP-DD/P

1 6 JAN 1959
Date

Attachments:
Project Outline LIEMPTY
Addendum to Project Outline

Staff Coordination:
For C/CI Staff -s/R. Brown
For C/FI/OPS -s/V. Hoffmann
C/CCD/NC -s/F. Youngblood

SECRET

SECRET

MEMORANDUM FOR: FI/OPS - Projects Branch

CRYPTONYM: LIEMPTY

DIVISION: Western Hemisphere

STATION: Mexico City

HEADQUARTERS CASE OFFICER:

NAME: J. B. BRADY
ROOM: 2120 Barton Hall
EXT.: 2555
DATE: 15 December 1958

1. It is requested that the LIEMPTY Project approval request be amended to include Simon D. CLACKETT (ps) and Wilma J. FIORDALISI (ps) under the LIEMPTY Project effective 1 January 1958. No additional funds are required.

2. It is also requested that the LIMESA Project be amended to delete from this Project these two Contract Agents effective 1 January 1958.

Robert N Dahlgren
R. N. Dahlgren, C/WH/III

Charles W. Anderson
Charles W. Anderson, WH/FI

for R. Gomez
J. C. King, Chief, WHD

16 dec 1958
Date

Attachments:
Memorandum (in quad)
Envelope with true names

SECRET

SECRET

Request for Amendment to LIEMPTY Project

1. It is requested that the LIEMPTY Project approval request be amended to include Simon D. CLACKETT (ps) and Wilma J. FIORDALISI (ps), U. S. citizens and contract agents, under this Project in place of the Staff Agent written into the field project outline. At the same time it is requested that the LIMESA Project be amended to delete these contract agents from the latter project.

2. CLACKETT and FIORDALISI are now approved under the LIMESA Project. They were recruited in the United States to occupy a sensitive LIMESA basehouse. Because of the sensitivity of the operation and the equipment to be installed in the basehouse Headquarters decided U. S. citizens should be used. The Station said appropriate documentation and backstopping could be secured for those agents so they could be given false identities under which they could live while they occupied the basehouse.

3. MEXI-2777 (IN 26519), of 14 November 1958, notified Headquarters that security factors and difficulty in obtaining adequate documentation and backstopping precluded the use of U. S. citizens under LIMESA and requested permission to use indigenous agents for this operation. After discussions between John BRADY, Chief of the Mexican desk, with the LIMESA/LIEMPTY Case Officer in Mexico City, and discussions between representatives of FI/D, OC, TSS, and WH at Headquarters, Headquarters concurred in the field's operational decision to use indigenous agents in the LIMESA Project. CLACKETT and FIORDALISI received only a very superficial briefing regarding the LIMESA Project. It is not believed Subject's limited knowledge of this sensitive operation will pose a security hazard.

4. Construction on the LIMEST houses is being kept about two weeks from completion until indigenous agents can be cleared and recruited. The delay in completion is normal because all construction money in Mexico has become extremely tight because of the recent presidential inauguration.

5. The Station believes CLACKETT will be an excellent replacement for Wilfred O. CLOWER (ps), former Staff Agent under Project LIPSTICK, who directed and trained that surveillance team. CLACKETT has shown a remarkable aptitude for clandestine operational activity and surveillance and investigative work in particular. He also is interested and enthusiastic in undertaking this assignment for KUBARK. The Station needs a good bilingual agent to recruit, train, direct, and develop a strong dependable physical surveillance team under LIEMPTY.

6. <u>Clearances and Contacts</u>: CLACKETT was granted a PCSA on 23 July 1958. A POA/CA for use under LIMESA was requested on 19 August 1958. FIORDALISI was granted an OA for use under LIMESA on 14 November 1958. Requests have been submitted to amend their clearances for use under LIEMPTY. CLACKETT and FIORDALISI have signed contracts effective 1 September 1958. The sensitivity of the LIMESA Project required them to leave their young son in

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the United States. Because of this a special benefit of periodic trips to their home in Arizona was included in their contracts. Under LIMESA their quarters were to be provided. An amendment has been requested to their contracts deleting the special benefit and adding educational and quarters allowances.

7. Motivation and Control: CLACKETT and FIORDALISI are extremely patriotic and highly motivated as evidenced in their willingness to undertake the LIMESA Project and be separated from their son. They have indicated they are more than willing to do whatever is requested of them, no matter what personal sacrifices and hardships are required. Their complete livlihood is dependent on their KUBARK income.

8. Tasks: CLACKETT will recruit, train, and direct the LIEMPTY surveillance team. The Station hopes to develop this team into a major Station support asset. He will receive instructions and direction from the Station Case Officer. FIORDALISI will be used to do all the clerical and administrative work for the LIEMPTY surveillance team.

9. Communication and Contact: CLACKETT will contact the Station Case Officer in a clandestine manner. All necessary security precautions will be taken. CLACKETT will also contact his surveillance agents under a cover which will be determined later by the Station and CLACKETT. In view of his Mexican background, CLACKETT can pass as a Mexican. Details of communication and contact arrangements with KUBARK will be arranged by the Station. Under LIEMPTY CLACKETT will be contacted by the same Case Officer he is now contacted by under LIMESA. CLACKETT and FIORDALISI will be in direct contact with relatives and friends in the United States. The cover company has, until now, been serving as a letter drop and contact point for emergency messages.

10. Cover: CLACKETT and FIORDALISI entered Mexico on United States documentation and it is planned they will continue to live in Mexico under true name. CLACKETT has a notional cover as a public relations consultant which was established by CCD/NC to use with friends and relatives in the U. S. The same cover story can be adopted to cover their proposed use under LIEMPTY vis-a-vis their United States friends. The Station is working on local cover for CLACKETT to use in Mexico.

11. Anticipated Costs: It is anticipated that the following expenses will be incurred by CLACKETT and FIORDALISI:

Compensation:			
CLACKETT	($7750/yr)	7100	
FIORDALISI	($4040/yr)	3700	10,800
Allowances:			
Educational allowance		320	
Quarters	($2500/yr)	2500	2,820

Travel:		
PCS	300	
TDY to Headquarters for training (including 30 day per diem at $12 per day)	648	948
	Total	14,368

A total of $14,470 was included under the LIEMPTY Project approval request submitted on 24 November 1958 for a Staff Agent; therefore, no additional funds are required.

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24 November 1958

MEMORANDUM FOR: FI/OPS-Projects Branch

SUBJECT : Justification for Automobiles under Project LIEMPTY

1. It is requested that the Mexico City Station be authorized to purchase three used sedans for use by the LIEMPTY surveillance team. The Station plans to expand the LIEMPTY surveillance team into a larger, well-trained physical surveillance asset. They will need three automobiles. Private automobiles or commercial transportation will not be satisfactory since the cars must be outfitted with two-way radios.

2. Authority is also requested to purchase a panel truck to be used in the LIENTRAP operation under this Project which mounts mobile photographic surveillances.

3. It is also requested that a quasi-personal car be authorized for Oliver G. Scantling (ps). Scantling is an indigenous agent under oral contract. A car is a prerequisite for his work for KUBARK which includes casings, surveillances, and investigations. Because of the sensitive nature of his work, and the heavy use made of the car, the Station has decided that Scantling should be furnished a QP car.

4. LIEMPTY agents were formerly carried under the LIJERSEY and LIPSTICK Projects. The vehicles used by the LIEMPTY agents under these other Projects will be disposed of and new ones will be purchased after the above TVA has been approved. The vehicles which will be replaced are MV 2148, MV 2147, MV 2138, and MV 2041. One of the surveillance cars will be new and will not replace an old car. It was decided that these vehicles should be replaced rather than transferred to the LIEMPTY Project for security reasons and because of the age of the automobiles. The automobiles are 1951 and 1952 models and have been used for sensitive surveillance work for over two years. The panel truck which was used in the LIENTRAP Operation under the LIPSTICK Project has been operating for two years in all parts of the city and has become a security threat. The fact that the LIPSTICK surveillance team knows that the truck exists, even to the point that one of the team members is the listed owner of the truck, also dictates replacement of this vehicle.

J. C. KING
Chief, WHD

SECRET

SECRET
(When Filled In)
CIA INTERNAL USE ONLY

SUPPORT ANNEX - TABLE OF VEHICULAR ALLOWANCE

1. PROJECT: LIEMPTY	2. SENIOR STAFF:
	4. AREA
	A. DIVISION: WH
3. TYPE OF ACTION (Check one)	B. BRANCH: III
X A. NEW TVA	C. DESK: Mexico
B. AMENDMENT OF EXISTING TVA	

5. REQUESTED ACTION

ITEM	TYPE	TOTAL ON HAND	TOTAL PRESENT TVA	TOTAL PROPOSED TVA
A.	SEDAN 2 or 4 door, 5 passenger American or foreign		0	4
B.	STATION WAGON			
C.	OTHER (List below)			
(1)	truck, panel, American or foreign mfg.		0	1
(2)				
(3)				
(4)				
(5)				
D.	TOTALS		0	5

6. REVIEWED BY			7. APPROVAL REQUESTED BY		
SIGNATURE LOGISTICS OFFICER	DIVISION	DATE	SIGNATURE CHIEF, ADMIN.	DIVISION	DATE
James S Burwell	WH	26 Nov 1958	[signature]		18 Nov 58

8. APPROVED		9. AUTHORIZED	
BY DIRECTION OF DDP	DATE	BY DIRECTION OF DD/S	DATE
Benjamin A. G. Fuller [initials] for C/FI	20 Jan. '59		

FORM 9-57 1116 USE PREVIOUS EDITIONS.

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(20-36)

CONFIDENTIAL

NOTICE

THIS FILE HAS BEEN PROCESSED AND RETIRED. DO NOT ADD ANY DOCUMENTS TO THIS FOLDER. FORWARD CS DOCUMENTS THAT SHOULD BE INCLUDED IN THIS FOLDER TO RID/RPU GE-58.

NOTICE

CONFIDENTIAL

FORM 2-66 2593 (7-13)

14-00000

SECRET
(WHEN FILLED IN)

FROM: (Headquarters component) WH/1	SUBJECT AND PROJECT FILE REQUEST AND FIELD NOTIFICATION OF ACTION
TO : IP/AN	
TO : (Station/Base) Mexico City	FROM: (Division) WH

INFORMATION FOR REQUESTERS

COMPLETE ITEMS 1 THROUGH 12.

ITEM 3-ALL FILE TITLES MUST BE STERILE SINCE THEY WILL APPEAR ON THE FIELD COPIES AND ON MACHINE LISTS.

ITEM 6-ALL REMARKS MUST BE STERILE.

ITEM 7 AND 8-USE FIRST THREE LETTERS OF DISPATCH SYMBOLS FOR FIELD STATIONS AND LIST HEADQUARTERS ELEMENTS ACCORDING TO ESTABLISHED NUMERIC CODES.

ITEM 10-ENTER OLD TITLE WHEN AMENDING A TITLE. CITE ANY FILES, SUCH AS 201 OR PROJECT FILES THAT ARE RELATED TO THE FILE COVERED BY THIS REQUEST. ITEM 10 MAY ALSO BE USED TO GIVE REASONS FOR THE ACTION BEING REQUESTED, TO IDENTIFY THE TYPE OF MATERIAL TO BE PLACED IN A FILE OR TO MAKE OTHER EXPLANATORY REMARKS.

ITEM 11-A RECORDS OFFICER MUST SIGN ALL FILE ACTION REQUESTS. CONSULT YOUR RMO ON ANY PROBLEMS THAT ARISE.

INFORMATION CONCERNING FILE

1. TYPE OF FILE	2. CODE (FILE) NUMBER: COUNTRY NUMBER	CATEGORY NUMBER	SPECIFIC SUBJECT NUMBER
[ ] SUBJECT [X] PROJECT	050	006	074/1

3. FILE TITLE (SPECIFIC SUBJECT) (PROJECTS LIMITED TO 15 SPACES)

KDFACTOR

ACTION REQUIRED

4. ANALYSIS ACTION		5. DISPOSITION	
[ ] OPEN FILE	[X] CLOSE FILE (INDICATE DISPOSITION)	[X] RETAIN	[ ] DESTRUCTION RECOMMENDED THRU (DATE)
[ ] AMEND FILE TITLE	[ ] REOPEN		

6. REMARKS (FOR FIELD DISTRIBUTION)

7. INTERESTED STATIONS (PROJECTS ONLY)	8. INTERESTED HEADQUARTERS DESK (LIST ACTION DESK FIRST)
HMM	050

9. **FILES ACTION**

[X] HOLD IN CS FILES	[ ] RESTRICTED	[X] UNRESTRICTED	[ ] PREPARE FOLDER AND SEND TO REQUESTER	[ ] CHARGE PERMANENTLY TO (OFFICER & DESK)

10. COMMENTS (INCLUDE SPECIAL HEADQUARTERS ROUTING INSTRUCTIONS)

11 ENDORSEMENT	12 COORDINATION	13 RID APPROVAL
SIGNATURE OF BRANCH/DESK R. O. Gloria Palmer #630	SIGNATURE OF BRANCH/DESK R. O. (WHEN APPLICABLE)	REQUEST APPROVED BY Evelyn Ellison

EFFECTIVE DATE	CODE (FILE) NUMBER		
23 July 1973	50	06	74/1

FORM 12-63 812 OBSOLETE PREVIOUS EDITIONS MFG 12-65

SECRET

38

1—CS COPY

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING ACTION: MARKED FOR INDEXING / NO INDEXING REQUIRED / ONLY QUALIFIED DESK CAN JUDGE INDEXING / MICROFILM

TO: Chief of Station, Mexico City

INFO:

FROM: Chief, Western Hemisphere Division

SUBJECT: Termination of KDFACTOR Project

ACTION REQUIRED - REFERENCES

REFERENCE: HMMA-42,197

This is to advise you that the formal termination of the KDFACTOR Project was approved by the Associate WOMACE on 25 May 1973.

James B. KARDENETZ

DISTRIBUTION: 2-COS,Mexico City

E2 IMPDET CL BY:055272

RECORD COPY

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMMW-19467	1 JUN 1973 TYPED: 31 May 1973
	CLASSIFICATION: SECRET	HQS FILE NUMBER: 50-6-74/1

1-WH-1/FI
1-IP

AN
AB X
WH/1/FI

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT.
WH/1/FI	Henry Mulloy	cc	1973

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
AC/WH/1	31 May 73	Raymond Swider

FORM 53 USE PREVIOUS EDITION. MFG 11 69

DISPATCH

14 May 1973

MEMORANDUM FOR: Acting Chief, WH Division

SUBJECT: KDFACTOR Project Amendment and Termination

1. The KDFACTOR Project, which provided photographic surveillance from two vantage points of the Soviet compound in Mexico City, was determined to be compromised due to the VWBLANKET case. The five agents were terminated in July 1972, but the base houses could not be terminated until January 1973 because it was necessary to sell one and the termination of the second was tied to the termination of KDABBEY who owned the second base house. It was necessary to pay rent for several extra months until these other terminations could be effected.

2. The base houses and agents have now all been terminated and the Station already has rented a replacement safehouse with new agents to provide the same coverage (KDALCOVE).

3. Approval of the amendment and termination of Project KDFACTOR is recommended.

Herbert W. Natzke
Acting Deputy Chief
Western Hemisphere Division

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING ACTION: MARKED FOR INDEXING / NO INDEXING REQUIRED / ONLY QUALIFIED DESK CAN JUDGE INDEXING / MICROFILM

TO: Chief of Station, Mexico City

INFO.

FROM: Chief, Western Hemisphere Division

SUBJECT: Summary of KDFACTOR Project Security Review

ACTION REQUIRED - REFERENCES

Forwarded under split transmission for your information is a copy of the KDFACTOR security review. Also included are two memoranda containing C/WOLENS and C/WOMUSE comments on the security review.

Roger W Bicego

Roger W. BICEGO

ATTACHMENTS:
1. Left Side - herewith
2. Right Side - U/S/C

DISTRIBUTION:
Orig. & 1 - COS, Mexico City

CS COPY

CROSS REFERENCE TO

1-WH/1 Chrono
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WH/1

DISPATCH SYMBOL AND NUMBER: ~~HDOW-19061~~

DATE: 28 JUN 1972

~~TYPED: 21 June 1972~~

CLASSIFICATION: SECRET

HQS FILE NUMBER: 50-6-74/1

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT.
WH/1	John Davis	cf	6954

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
WH/1		John C. Murray / for

USE PREVIOUS EDITION. (40)

DISPATCH

SECRET

9 May 1972

MEMORANDUM FOR: Assistant Deputy Director for Plans

THROUGH : MPS/BG/FI

SUBJECT : Project KDFACTOR - Security Review

1. The CI Staff is satisfied with the fine Security Review of the KDFACTOR Project activity and personnel.

2. However, the Staff urges the Station to remain constantly alert to any security repercussions pertaining to all the terminated assets particularly in view of their past knowledge of the project activity and the fact that some of them had family and relatives who also were aware of the project activity. Focus should continue regarding any security problems pertaining to KDFACTOR-7.

3. In addition, the Station should continue to monitor any Soviet investigation or probing of owners and tenants involved in the properties used under this project.

Frank W. Hughes
C/CI/OPS/WH

Distribution:
Orig. & 3 - MPS/BG/FI
1 - WH/1/Mexico ✓
2 - CI/OPS/WH

SECRET

GROUP 1
Excluded from automatic downgrading and declassification

14-00000

8 - MAY 1972

MEMORANDUM FOR: Assistant Deputy Director for Plans

SUBJECT: Security Review of Project KDFACTOR

1. At the time you approved the renewal of Project KDFACTOR in December 1971 you asked that the Station conduct an updated security review of this operation, which provides photographic surveillance of the Soviet Embassy in Mexico City. You asked that particular attention be paid to terminated agents and their families. The Station has made a security review and a detailed report on the findings, from Chief, WH Division, is attached.

2. The report discusses the history of the operation, describes security problems of the past and steps taken to remedy them, and discusses the security and operational situation of the agents presently covered by the project. The report notes that the two operational sites and their associated agents are compartmented from each other and that processing the film is now being done inside the Station. One section of the report discusses in detail the assets who were formerly involved in these operations but have been terminated. The final section of the report describes current security practices and notes that an alternate photographic surveillance site has been procured and is available for use should the present one be compromised.

3. The report demonstrates that the security of the operation is being kept up to high standards and that there are no potential security threats from former agents that the Station is not aware of. The FI Staff believes that the Station's security review and the attached report satisfy the requirements of your request.

L. A. Campbell
Chief
Foreign Intelligence

Attachment

14-00000

SECRET

9 May 1972

MEMORANDUM FOR: Assistant Deputy Director for Plans

THROUGH : MPS/BG/FI

SUBJECT : Project KDFACTOR - Security Review

1. The CI Staff is satisfied with the fine Security Review of the KDFACTOR Project activity and personnel.

2. However, the Staff urges the Station to remain constantly alert to any security repercussions pertaining to all the terminated assets particularly in view of their past knowledge of the project activity and the fact that some of them had family and relatives who also were aware of the project activity. Focus should continue regarding any security problems pertaining to KDFACTOR-7.

3. In addition, the Station should continue to monitor any Soviet investigation or probing of owners and tenants involved in the properties used under this project.

Frank W. Hughes
Frank W. Hughes
C/CI/OPS/WH

SECRET

E2 IMPDET
Excluded from automatic downgrading and declassification

SECRET

DD/P 72-1719

17 APR 1972

MEMORANDUM FOR: Assistant Deputy Director for Plans

SUBJECT : FI Project KDFACTOR, Security Review

REFERENCE : ADDP Memo (DD/P 1-5899) to C/WHD dated 14 December 1971

1. In response to reference the following is a summary of the KDFACTOR security review:

The Station summary of the KDFACTOR Project security is as follows:

"There were no known problems of security relating to the Project. In response to the Headquarters request, we have reviewed all phases of the operation and believe that Project security is sound. The Project assets have all been with us for many years and have established themselves as respectable long-time residents of the area. All five assets, four in one family and one in another, are extremely security conscious and have all been SGSWIRLED. The assets derive a substantial portion of their livelihood from their Agency employment and would thus lose a great deal if security factors ever necessitated a termination of their work for us. As an additional safeguard, the KDLITERAL and KDABSINTHE operations are compartmented from each other, and there has never been any indication that either segment of KDFACTOR knows of the other's existence".

The Headquarters desk has also reviewed the security of the KDFACTOR Project and agrees with the Station that the security is sound. In fact, as presently constituted, the KDFACTOR Project is well compartmented, and each of the two KDFACTOR photo basehouses (KDLITERAL and KDABSINTHE) is run by long-term assets who draw a minimum of suspicion in their operational activities. Terminated assets could possibly expose the existence

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GROUP 1
Excluded from automatic downgrading and declassification

of this project, but that seems unlikely from the Headquarters review of terminated agents witting of present KDFACTOR operational activities. A Soviet investigation of property ownership around the Soviet Embassy and their awareness that the Soviet Embassy was under photographic surveillance in the past could result in a Soviet investigation of the activities and contacts of KDABBEY-1, the owner of an apartment building and four houses close to the Soviet Embassy. It is doubtful that KDABBEY-1's activities, which do not inter-relate with the activities of the KDFACTOR agents, would in any way expose the KDFACTOR Project operational activities.

2. A brief history of the KDFACTOR Project:

The KDFACTOR Project had its origins in the LIJERSEY and LIPSTICK Projects, both active in the mid-1950's. In 1958, after the arrest of two LIPSTICK surveillance team members, it was decided to break off the more sensitive, uncompromised LIPSTICK assets manning and supporting two basehouses for photo surveillance of the Soviet Embassy. These assets were consolidated with one photo basehouse against the Soviet Embassy and one surveillance team from the LIJERSEY Project into a new project (LIEMPTY), which was approved on 16 January 1959. The LIEMPTY Project, renamed the KDFACTOR Project in 1971, consisted of three photo basehouses, two viewing the front of the Soviet Embassy (LIMITED and LILYRIC) and one viewing the rear garden of the Soviet Embassy (LICALLA), plus a mobile surveillance team (LIENTRAP) tied closely with the LIMITED basehouse, which was the radio control point for dispatch of the LIENTRAP.

In 1959 the LIENTRAP surveillance vehicle and two team members were arrested at the scene of a Cuban demonstration in Mexico City. A Station review of the security implications of this incident stated that it did not materially affect the security of the project nor expose any of the LIEMPTY basehouse operations. (Note: As the basehouse operations were compartmented, the only exposure possible from this incident would have been of the LIMITED basehouse, which is no longer in existence.)

The LIEMPTY Project operated substantially as above until the Warren Commission report was published in late 1964. In this publication was a picture of a person entering the Soviet Embassy taken from the LIMITED basehouse. The LIMITED photo basehouse was closed in September 1964, and all photographic surveillance was suspended as a security precaution. In January 1965 the LIMITED basehouse was relocated, and

later that year the building it had previously been in was razed by the owner, KDABBEY-1. From 1964 on it must be assumed that the Soviet Embassy in Mexico City believes it is under regular photographic surveillance.

Further project changes took place in 1966 when the LILYRIC basehouse was relocated to another apartment with approximately the same view. In May 1968 the LIMITED basehouse was terminated and LIEMPTY-6, the basehouse keeper, retired. This affected the LIENTRAP coverage of Soviet vehicular movement monitored and directed from the LIMITED basehouse. With the closing of LIMITED and the Station decision to replace Raymond H. GERENDE, Mexican national contract agent who handled the LIEMPTY Project since its inception, the LIENTRAP mobile surveillance team was underemployed, and the decision was made to move it to the LIEMBRACE Project. This was done in early 1970, soon after GERENDE had been relieved of operational responsibilities in December 1969.

The photo processing of the KDFACTOR (formerly LIEMPTY) film take is now being done by the Station. In the past, it was done by the Station, by GERENDE, and by KDFACTOR-1, who was terminated amicably in early 1971. The building housing the KDLITERAL (formerly LICALLA) photo basehouse was purchased in 1957 by KDABBEY-1 for the Station. KDLITERAL is in a row of four houses all owned ostensibly by KDABBEY-1 but actually by the Agency. This row also houses a basehouse for FID's KDVAULT Project. The apartment building housing the KDABSINTHE (formerly LILYRIC) photo basehouse is owned outright by KDABBEY-1, who has been most cooperative in assisting the Station in maintaining and occasionally moving (1965 and 1966) photo basehouses. The LIMITED photo basehouse was also located on KDABBEY-1's property when it was active.

The individual basehouse operations are and have always been compartmented one from the other. The only points of breakdown in the compartmentation have been: (a) the LIMITED basehouse was linked to the LIENTRAP mobile surveillance; (b) KDFACTOR-1 was processing films from all the basehouses and could, therefore, be aware of their exact locations; (c) GERENDE was aware of all aspects of the KDFACTOR operation, and has since been terminated; (d) Oliver G. SCANTLING, Station contract agent retired in 1971, was aware of the KDFACTOR Project

through his past work with LIEMPTY-6 and with GERENDE on KDFACTOR Project activities; and (e) the fact that the two present basehouse properties are owned by KDABBEY-1, who is witting of the locations and general activity of both KDFACTOR basehouses.

3. Agents and Case Officers presently active in the KDFACTOR Project:

As of March 1972, Oliver J. MANKUNAS is the case officer responsible for handling the operations of KDFACTOR; Bruce H. FERNALD is the alternate case officer. The following is a list of active agents in the KDFACTOR Project:

A. KDFACTOR-2 (201-136454)
DATE OF OA: 27 December 1956
DATE SGSWIRLED: 27 April 1966
PRESENT POSITION: KDLITERAL Basehouse Operator
COVER: Accountant for a local bus line - works cover job in the evenings.

B. KDFACTOR-5 (201-119961)
DATE OF OA: 9 May 1956
DATE SGSWIRLED: 2 March 1966
PRESENT POSITION: KDABSINTHE Basehouse Operator
COVER: Industrial engineer - works cover job during the day.

C. KDFACTOR-6 (201-167567)
DATE OF OA: 16 October 1967
DATE SGSWIRLED: March 1966
PRESENT POSITION: Wife of KDFACTOR-5. Co-KDABSINTHE Basehouse Operator
COVER: Housewife

D. KDFACTOR-8 (201-762111)
DATE OF OA: 29 November 1965
DATE SGSWIRLED: 3 March 1966
PRESENT POSITION: Son of KDFACTORs-5 and 6. Part-time KDABSINTHE Basehouse Keeper/Operator.
COVER: Part-time shopping (shopper) investigator for Sears Roebuck de Mexico.

E. KDFACTOR-9 (201-762112)
DATE OF OA: 27 July 1966
DATE SGSWIRLED: 3 March 1966
PRESENT POSITION: Son of KDFACTORs-5 and 6. Part-time KDABSINTHE Basehouse Keeper/Operator.
COVER: Medical student

F. KDFACTOR-10 (201-254181)
DATE OF OA: 14 September 1959
DATE SGSWIRLED: Not tested
PRESENT POSITION: Non-salaried. Wife of KDFACTOR-2, (KDLITERAL).
COVER: Housewife

G. KDABBEY
DATE OF OA: 28 April 1954
DATE SGSWIRLED: Not tested
PRESENT POSITION: Non-salaried. President of Construcciones Aztlan. Owner and landlord of KDVAULT and KDFACTOR basehouses.

Regarding the security of the above active KDFACTOR agents, the KDLITERAL basehouse is handled by KDFACTOR-2 with the assistance of his wife, KDFACTOR-10. They have a long-time maid and a 13-year-old son who lives with them in the basehouse. Neither the son nor the maid is believed to be witting. The photographic equipment is kept in a locked room, and the product is kept in a locked safe. KDFACTOR-2 was recruited by KDCALVERT-1, who is an active, long-term Station agent in the KDCALVERT Project and who is not considered a threat to KDFACTOR-2's security. KDFACTOR-2's activities are also known to his brother, the former LIPSTICK-47, who was one of the two LIPSTICK surveillance team members arrested in 1958 and who gave the police considerable information regarding LIPSTICK surveillance activities. LIPSTICK-47 was terminated in late 1958 and is believed to have withheld from the police the information regarding KDFACTOR-2 and the KDLITERAL basehouse. KDFACTOR-2 and his family have occupied the KDLITERAL basehouse since 1957 and have been discreet and security conscious in their dealings with neighbors and relatives.

The KDABSINTHE basehouse is manned by KDFACTOR-5, his wife KDFACTOR-6, and his two sons KDFACTOR-8 and KDFACTOR-9. The SGSWIRL of 2 March 1966 went into detail on who is witting of KDFACTOR-5's work for the Station. The result was that his immediate family, including a married daughter who no longer lives at the basehouse, are aware of the photographic operation. KDFACTOR-5 was recruited by LIEMPTY-12, a U. S. citizen with a private company in Mexico City who is no longer working with the Station but who is considered patriotic and no threat to KDFACTOR security.

4. Terminated Agents Possibly Affecting Present Project Security:

A. Raymond H. GERENDE

GERENDE is a Mexican citizen and was a contract agent until his termination on 26 June 1970. He had been employed by the Station intermittently since 1955 and was used almost exclusively in support activities. Since the start of the LIEMPTY Project in 1958 GERENDE had been directly involved with this project serving as cutout to the basehouses, carrying and processing films, and giving general direction to the project as principal agent. In 1969, after years of excellent service with the Station, GERENDE had serious marital problems which ended in separation from his wife, KDFACTOR-7. From December 1969 to June 1970 GERENDE was not used operationally but was maintained on half pay with the hope the divorce proceedings would be completed quickly. When it became apparent the divorce would drag on interminably, the Station reluctantly terminated GERENDE and his wife. Bruce H. FERNALD, career agent, met with GERENDE monthly from July 1970 through May 1971 while paying him his termination bonus in ten installments. GERENDE is still living in Mexico City, where he owns some property and has an income as an English teacher to employees of two local firms. He visited his wife and children in Holland in December 1970. It appears he may now be financially pressed as his English class schedule has been cut back. The Station as of 10 April 1972 had no information that would indicate GERENDE has violated his secrecy agreement.

There is an indication that GERENDE came to the attention of the Soviets in 1968. A Mexican walk-in to the FBI office in Mexico City, who was later interrogated by the Federal Security Police in 1970, said that in 1968 he had been employed by the Soviet Embassy Second Secretary, Oleg Masksimovich Nechiporenko (201-305870), to investigate persons working with the Mexican Olympic Committee. The persons investigated

included GERENDE, who apparently became a specific target of Soviet investigation. It is unclear from the report of the Federal Security Police how far the Soviet investigation of GERENDE had proceeded. Nechiporenko was PNG'd from Mexico in March 1971. GERENDE's possible exposure to the Soviets could have been through his work on the Olympic Committee as a translator or through his work for the Station, which used him for a wide range of support tasks against the Soviet and Cuban targets.

B. KDFACTOR-7 (wife of GERENDE)

KDFACTOR-7 is a Dutch citizen and the former wife of GERENDE. She returned to the Netherlands in July 1970 with her children. She had served as a support agent assisting GERENDE. She is believed witting, in general terms, of GERENDE's activities regarding the KDFACTOR Project. She was terminated on 26 June 1970 and signed both a secrecy agreement and quit claim. After termination it became apparent that she had considerable hard feelings toward both the Agency and GERENDE over financial problems between her family and GERENDE. While the Station was not directly involved in all the financial problems, the Station was involved in regard to her divorce claims against GERENDE's salary, a large part of which came covertly from the Station. In July 1970 KDFACTOR-7 came to the Agency Headquarters and complained about her financial settlement. In September and November 1970 she wrote two letters directly to the Agency on the same subject. In late 1970 she also asked a Hague Embassy political officer to put her in contact with the Agency; however, she did not tell him the nature of her business. In January 1971 the Agency contacted KDFACTOR-7's brother, a U. S. Army civilian with a "Top Secret" clearance living in Alexandria, Virginia, and was able to resolve the financial misunderstandings with KDFACTOR-7. In January 1971 the Hague Station reported KDFACTOR had, without Station influence, obtained a job as social secretary with the Department of State at the Embassy. It is believed that this job has probably solved many of her financial problems and should also inhibit her from exposing her past work with the Mexico City Station, as such exposure could jeopardize her job. The Embassy in the Hague was briefed in general terms on KDFACTOR-7's background.

C. KDFACTOR-1

KDFACTOR-1 is a Mexican citizen and the brother-in-law of GERENDE. He was hired by the Station in 1956 to assist GERENDE in processing the photographic take of the KDFACTOR Project (at that time the LIPSTICK Project and later the LIEMPTY Project). KDFACTOR-1

was later assisted in processing the photographic take by his wife, LIEMPTY-5, who is GERENDE's sister. KDFACTOR-1 was terminated in March 1971, and the photographic processing previously done by KDFACTOR-1 is now done in the Station. The termination was amicable and largely due to delays in film processing as KDFACTOR-1's medical practice expanded. There does not appear to be any security problem in the termination of KDFACTOR-1 as he is discreet and also a close relative of GERENDE. The security of processing the film in KDFACTOR-1's medical office was good as KDFACTOR-1's wife, LIEMPTY-5, was assisting him with the processing and with the security of the darkroom.

D. LIEMPTY-5

LIEMPTY-5 was hired by the Station in 1957 to assist KDFACTOR-1 with the processing of KDFACTOR films. She is the sister of GERENDE and wife of KDFACTOR-1. She was terminated along with KDFACTOR-1 in March 1971. Due to her close relationship with GERENDE and KDFACTOR-1, she is not considered a threat to the Project Security.

E. Oliver G. SCANTLING

SCANTLING is a Mexican citizen who worked as a Station agent from 1954 until his termination without prejudice in February 1971. SCANTLING is in an excellent financial position and has assisted the Station in recent years largely because his strong motivation to work against the Communists. SCANTLING worked as a surveillance team leader from 1954 to 1957 and then in the LIEMPTY (KDFACTOR) Project from 1958 through 1966. He was the cut-out to LIEMPTY-6 and a back-up principal agent for GERENDE. SCANTLING's termination was amicable, and he is not considered a security problem to the Station or the KDFACTOR Project.

F. LIEMPTY-6

LIEMPTY-6, a Mexican citizen and long-term Station asset, was retired in May 1968. He had manned the LIMITED photo basehouse with his wife and son assisting him. He had been working with the Station since 1954, but age and ill health had reduced his efficiency. LIEMPTY-6 knows GERENDE and SCANTLING, but is not aware of the names or locations of any of the present KDFACTOR agents and basehouses. While he could give information on his participation in KDFACTOR activities up to 1968, he has no motive to do this and is apparently happily retired on his Agency termination bonus plus some financial assistance from his son-in-law. He is not considered a threat to the security of this Project.

There was one indication that the Soviets were seeking out the LIMITED photo basehouse and may have had suspicions concerning LIEMPTY-6. This was a report by KDADAGE-10 that in mid-1966 Stanislav Sergeyevich Silnikov (201-271103), a Soviet Embassy guard, asked KDADAGE-10 to report on his neighbors near the Soviet Embassy. Silnikov expressed interest in all the occupants of the new apartment building which houses the KDABSINTHE photo basehouse, but did not mention the KDABSINTHE basehouse keepers by name. Silnikov did name specific persons he was interested in and these included LIEMPTY-6. KDADAGE-10, of unknown reliability, said he did not give Silnikov any information, but added that, between himself and the Station, he suspected LIEMPTY-6 and had heard it rumored he worked for the Americans. In 1966 Headquarters already assumed the Soviets were aware of the LIMITED basehouse because it was used for radio direction of the LIENTRAP mobile surveillance. In any case, the Soviets apparently took no action prior to the closing of the LIMITED basehouse and the relocation of LIEMPTY-6 in May 1968. It is believed this incident has no implications that would threaten the security of current KDFACTOR assets.

5. Current KDFACTOR Security Practices:

The two photo basehouses, KDLITERAL and KDABSINTHE remain compartmented, as they have been throughout the history of the Project. The Station case officer responsible for the project meets weekly with KDFACTOR-2, responsible for the KDLITERAL basehouse, and with KDFACTOR-5, responsible for the KDABSINTHE basehouse. In these meetings he picks up the product, provides new supplies, pays salaries and handles miscellaneous administrative matters. These are car meetings usually held in early morning or at night and the pickup points are changed regularly. Meeting time is kept to a minimum and meetings are prescheduled whenever possible. The photographic product is processed in the Station, thus increasing the security and timeliness of its handling over the past practice of having KDFACTOR-1 process it in his office darkroom. The case officer only meets with KDFACTOR-2 and KDFACTOR-5; however, in emergencies other witting family members of either basehouse can be contacted and met. In case the present sites or personnel are compromised, the Station has rented another apartment in the building housing the KDABSINTHE basehouse and has installed members of the KDCALVERT Project as residents. This new apartment offers as good a vantage point

for photographic coverage as the KDABSINTHE and could quickly be activated if for any reason the KDABSINTHE basehouse becomes untenable.

Theodore G. Shackley
Chief
Western Hemisphere Division

NOTED: ______________ ADD/P   12 May 72 Date

SECRET

14 DEC 1971

DD/P 1-5899

MEMORANDUM FOR: Chief, Western Hemisphere Division

SUBJECT: FI Project KDFACTOR
FY 1971 Amendment No. 1
Biennial Renewal
Proposal for Fiscal
Years 1972 and 1973

1. On 10 December 1971 I approved subject actions in the amounts specified below:

a. FY 1971 Amendment No. 1 - For $4,260, increasing the project's FY 1971 funds authorization (from $23,630) to $27,890.

b. FY 1972 Renewal - For $19,000

c. FY 1973 Renewal - For $20,000

2. I ask that the Station conduct an updated security review of this operation, giving particular attention to the knowledgeability of terminated agents and their families as discussed in paragraph 3 of referent memorandum.

3. Also, I ask that you provide me (via MPS/BG) with a memorandum report summarizing the results of the above (paragraph 2) security review by 31 March 1972.

Cord Meyer, Jr.
Assistant Deputy Director for Plans

SECRET

ADDP MEMO of 14 December 1971

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING ACTION: MARKED FOR INDEXING / XX NO INDEXING REQUIRED / ONLY QUALIFIED DESK CAN JUDGE INDEXING / MICROFILM

TO: Chief of Station, Mexico City

INFO:

FROM: Chief, Western Hemisphere Division

SUBJECT: Project LIEMPTY FY 1971 Approval

ACTION REQUIRED - REFERENCES

Ref: DIRECTOR 038379

1. Project LIEMPTY has been approved for FY 1971 in the amount of $23,635. It has also been amended for FY 1970 in the amount of $10,498 (from $38,970 to $49,468) in order to cover termination payments to Raymond H. GERENDE and his wife, LIEMPTY/19. The approval carried a WOMACE caveat that termination payments to GERENDE and his wife must be made on a monthly basis as described in the referenced cable.

2. In submitting the project renewal request we wrote in paragraph 2 under Future Plans that the Station would submit up-dated emergency contact plans. Please submit these plans in your first quarterly progress report for FY 1971 so that we can meet our obligation to the approving authorities.

3. A copy of the approved FY 1971 renewal request is being forwarded by split transmission for your files.

Spencer N. HUTCHINS

Attachments:
1 - LIEMPTY Project Renewal, left portion h/w
2 - LIEMPTY Project Renewal, center portion usc
3 - LIEMPTY Project Renewal, right portion usc

Distribution:
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LIEMPTY

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMMW-17950	10 June 70 / 12 JUN 1970
	CLASSIFICATION: SECRET	HQS FILE NUMBER: 050-006-074/1

1 - RI
1 - Chrono

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT.
WH/1	W.R.Hazen	lmr	4167

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
C/WH/1	10 June 70	John C. Murray

FORM 1-63 53 USE PREVIOUS EDITION. (40)

DISPATCH

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FUNDING

NO. 3
(DOCUMENT # FOR THIS PROJECT)

DATE 1 June '70

NOTIFICATION OF PROJECT APPROVAL ACTION

TO: CHIEF OF STATION ~~(BASE)~~ Mexico City

ATTENTION: FINANCE OFFICER

INFO:

PROJECT LIEMPTY FAN 0135-1009

TYPE OF ACTION PERIOD OF ACTION [illegible] TO [illegible] 71 AMOUNT $ [illegible]

NEW			
RENEWAL	PREVIOUS ACTION IN THIS FISCAL YEAR	[illegible]	
EXTENSION	TOTAL FISCAL YEAR APPROVAL	[illegible]	~~[illegible]~~
TERMINATION	FUNDS AVAILABLE FOR HQS USE	500	500
AMENDMENT	FUNDS AVAILABLE FOR FIELD USE	[illegible]	~~[illegible]~~
OTHER	subject [illegible] FY 71 funds		

CHIEF, WH/B&F

HQS USE ONLY

PROCESSED	APPROVED	TYPE OF ACTION	PERIOD	AMOUNT

File LIEMPTY
development & plans

SECRET
(When Filled In)

SECRET WH/1

PROJECT APPROVAL NOTIFICATION

PROJECT: LIDPTY

- [ ] CA
- [X] FI/CI

- [ ] PROPRIETARY
- [ ] SUBSIDY
- [ ] DIRECT

ACTION		AREA
	NEW PROJECT	DIVISION: WH
	AMENDMENT	
X	RENEWAL	BRANCH: WH/1
	TERMINATION	DESK: Mexico
	EXTENSION	
	OTHER	CASE OFFICER: Jack Barry — EXTENSION: 4167

AUTHORIZATION

APPROVING AUTHORITY	TOTAL AMOUNT APPROVED	FY	AMOUNT
ADDP	$23,635	1971	$23,635
		196	

PERIOD OF APPROVAL: FROM 1 July 1970 TO 30 June 1971

FINANCIAL CODE SYMBOL: 1135-1009

CONDITIONS OF APPROVAL

SIGNATURE MPS/BG: (Signed) E. M. [illegible]

DATE: 28 MAY 1970

DISTRIBUTION

1	FINANCE DIVISION	1		1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER	2	MPS/BG

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(5)

14-00000

SECRET

WH/1

PROJECT APPROVAL NOTIFICATION

PROJECT LIEMPTY	☐ CA		☐ PROPRIETARY
	☒ FI/CI		☐ SUBSIDY
			☐ DIRECT

ACTION		AREA	
	NEW PROJECT	DIVISION: WH	
X	AMENDMENT		
	RENEWAL	BRANCH: WH/1	
	TERMINATION	DESK: Mexico	
	EXTENSION		
	OTHER	CASE OFFICER: Jack Barry	EXTENSION: 4167

AUTHORIZATION

APPROVING AUTHORITY	TOTAL AMOUNT APPROVED	FY	AMOUNT
ADDP	$49,468	1970	$49,468
		196	
PERIOD OF APPROVAL: FROM 1 July 1969 TO 30 June 1970	FINANCIAL CODE SYMBOL	0135-1009	

CONDITIONS OF APPROVAL

Project amended for an additional $10,498 for FY 70.

SIGNATURE	DATE
(Signed) E. K. Harms MPS/BG	?? ??? 1970

DISTRIBUTION

1	FINANCE DIVISION	1		1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER	2	MPS/BG

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X-REF TO CS FILE NO.

DISSEM BY: dls PER

☐ FILE RID ☐ RETURN TO _____ BRANCH

ACTION UNIT: WH8 | INFO: FILE, VR R/AN. SR8.

ACTION NO. 986

S E C R E T 192359Z MAR 70 CITE MEXICO CITY 2766

DIRECTOR

LIEMPTY

20 MAR 70 046440

REF: DIRECTOR 018246

1. POUCHING LIEMPTY REPORT 26 MARCH. REGRET DELAY WHICH DUE PRESS OTHER ACTIVITIES REDTOP FIELD.

2. FILE: 50-6-74/3. GP-1

S E C R E T

LIEMPTY - 10 & 11 out - take out

SECRET

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING ACTION: MARKED FOR INDEXING / NO INDEXING REQUIRED / ONLY QUALIFIED DESK CAN JUDGE INDEXING / MICROFILM

TO: Chief of Station, Mexico City

INFO:

FROM: Chief, Western Hemisphere Division

SUBJECT: LIEMPTY Project Approval (FY 1970)

ACTION REQUIRED - REFERENCES

Action Required: None, FYI

Project LIEMPTY has been approved in the amount of $38,970 for the period 1 July 1969 through 30 June 1970. Of the total FY 70 amount, $38,470 is authorized for field use, and $500 will be retained for Headquarters use.

Anthony B. WELDRAKE

Distribution:
Orig. & 1 - COS, Mexico City

CROSS REFERENCE TO: CS COPY

DISPATCH SYMBOL AND NUMBER: HMMW - 17472

DATE: 12 SEP 1969 — 9 September 1969

CLASSIFICATION: SECRET

HQS FILE NUMBER: 50-6-74/1

RI - 1
CHRONO - 1

AN
AB X
IN
PS
BX
DES / RFD
PI
WH/1

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT
WH/1	J. J. Barry	nks	6954

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
AC/WH/1	10 Sept	Ernest J. Tsikerdanos

FORM 1-63 53 USE PREVIOUS EDITION

DISPATCH

14-00000

SECRET

17 March 69
Date

NOTIFICATION OF PROJECT APPROVAL ACTION

TO FIELD FINANCE OFFICER

TO: Chief of Station ~~(Base)~~ Mexico City

~~INFO~~: Attn: Finance Officer

PROJECT: LIEMPTY

FAN: 9-35-1009

TYPE OF ACTION:

✓ OTHER Reduction in funding

___ NEW

___ RENEWAL

___ EXTENSION

___ AMENDMENT

___ TERMINATION AND DATE ___

PERIOD OF ACTION: ___ AMOUNT ___

FISCAL YEAR PROJECT APPROVAL:	FY 69	FY
THIS ACTION:	--	
PREVIOUS ACTION:	43520	
TOTAL FISCAL YEAR PROJECT APPROVAL:	43520	
FUNDS AVAILABLE FOR HQS USE:	7200	
FUNDS AVAILABLE FOR FIELD USE:*	36320	

*TO BE USED AS A GUIDE FOR DISTRIBUTION OF OBLIGATION AUTHORITY.

File
53-6-74

SECRET
(When Filled In)

DISPATCH

CLASSIFICATION: SECRET [redacted]

PROCESSING ACTION: MARKED FOR INDEXING / NO INDEXING REQUIRED XXXX / ONLY QUALIFIED DESK CAN JUDGE INDEXING / MICROFILM

TO: Chief, WH Division

INFO.: Chief, SB Division

FROM: Chief of Station, Mexico City

SUBJECT: LIEMPTY Project Renewal Request

ACTION REQUIRED - REFERENCES

References:
- A. HMMA-33435, 8 November 1967
- B. HMMA-33514, 8 January 1968
- C. HMMW-1 419, 21 May 1968
- D. HMMA-35080, 22 July 1968
- E. HMMW-16984, 13 January 1969
- F. HMMA-36272, 22 January 1969
- G. MEXICO CITY 9439, 11 March 1969

Forwarded herewith and under separate cover by split transmittal is a request for the renewal of Project LIEMPTY for FY 1970. Funds in the amount of US$38,970 are being requested.

Vincent P. Rizzuto
for/Willard C. CURTIS

RECORDS OFFICER STAMP
The following action is authorized: [signature]
Signed: [signature]
R.O. #I39 - Unit [handwritten]
Note: If destruction, cite reasons and coordinate if appropriate.

Attachment:
1. Project renewal request, right side h/w
2. Project renewal request, left side u/s/c

Distribution:
2 - C/WH w/att h/w and u/s/c
2 - C/SB w/att h/w and u/s/c

2 ATT

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GROUP 1
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CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMMA-36710	14 March 1969
X	CLASSIFICATION: SECRET [redacted]	HQS FILE NUMBER: 50-6-74/1

SECRET

REQUEST FOR PROJECT RENEWAL

PROJECT LIEMPTY

CASE OFFICER Vincent P. Rizzuto
Vincent P. RIZZUTO

STATION Mexico City

CHIEF OF STATION Willard C. Curtis
Willard C. CURTIS

RECORDS OFFICER STAMP
The following action is authorized: de-Reglev
Signed: Olnia Palmer
R.O. #630 - Unit WH/R
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[illegible]
[illegible]

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X

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H/W ATT #1 + S/C ATT #2 & HMMA-32710

50-6-74/1

SECRET [redacted]

PROJECT LIEMPTY

REQUEST FOR RENEWAL

1. CURRENT OBJECTIVES

A. The overall objective of Project LIEMPTY, now in its eleventh year of existence, is to collect operational information on the PJSTEAL installation, its personnel and visitors, as well as related targets of opportunity through stationary/mobile photographic and physical surveillance mechanisms. Corollary objectives which are to be fulfilled through use of the LIEMPTY installations, mechanisms, and personnel are as follows:

1. To provide detailed operational information pertaining to the daily movements and activities of PJSTEAL personnel, particularly those individuals of intelligence interest, as well as information on the PJSTEAL physical plant and visitors to the premises.

2. To collect operational information on persons associated with PJSTEAL personnel and on individuals known or suspected to have connections with the PJSTEAL intelligence services or other hostile groups which are inimical to the interests of LNFORT.

3. To provide operational support, counter surveillance, and/or other protective services to KUFIRM personnel and operations, as may be levied upon the Station or as may be deemed necessary.

B. The above objectives are to be fulfilled through continued maintenance and exploitation of the LILYRIC and LICALLA basehouses, the LIENTRAP mobile unit, and the services of long-time contract agent, Raymond H. GERENDE. The LIEMPTY Project is the cornerstone of the Station's operational program against the PJSTEAL target and as such is completely responsive to Priority A-1 of the Station's Operating Directive.

C. Throughout the Project year under review, Project LIEMPTY continued to contribute directly and significantly to the fulfillment of Station and Headquarters' requests and requirements for coverage of various targets falling within the above cited framework.

SECRET [redacted]

SECRET

During the Project year Project LIEMPTY provided all of the fixed operational photographs and physical surveillance reports used in Mexico City Station's operations targetted against the FJSTEAL installation and personnel. Specific examples of the LIEMPTY Project's progress and contributions will be found in Section 3 below (EFFECTIVENESS).

2. CHANGES

A. Operational

1. The major change during the preceeding period has been the closing of the LIMITED basehouse and the termination of LIEMPTY-[illegible]. This has resulted in considerable financial saving with no loss in efficiency--to the contrary, as a matter of fact. The major reason for the change was the fact that LIEMPTY-[illegible] was growing less reliable with age. He was not always able to be on the job, and when he was, his fixed surveillance reporting was occasionally inaccurate, and his photography was often poor. There had been considerable overlap between LILYRIC and LIMITED reporting, and with the closing of LIMITED, the LILYRIC working hours were extended slightly so that full working hours of the FJSTEAL installation continued to be covered. The only disadvantage to this arrangement is that the vantage point of the FJSTEAL installation which had been shared by LIMITED and LILYRIC will now go uncovered during periods of annual leave by LILYRIC personnel (the LILYRIC personnel are all members of one family and normally take their leave together).

2. There have been no changes in the operating procedures and techniques of LIEMPTY-9 in the LICALLA basehouse. The refinements described in the previous Project Outline have been effective and have been maintained. The same can be said of LIENTRAP, which has become a much more flexible tool since its partial integration into the LIEMBRACE team. There have been no changes in LILYRIC procedures, other than expansion of coverage to include the entire working week.

B. Financial - LIEMPTY-9 was granted a salary increase, effective 1 May 1968, in recognition of his excellent job performance. LIEMPTY-14 and -27 were granted salary increases on 1 May 1968, largely as compensation for the extra hours they agreed to put in to insure full-time coverage of the FJSTEAL installation by LILYRIC. Memoranda of Oral Agreement covering these three salary increases were forwarded with HMMA-34573, 2 May 1968. Finally, LIEMPTY-11 was granted a salary increase effective 1 January 1969, in recognition of his increased work load with the LIEMBRACE team. MOA was forwarded with HMMA-35101, 23 December 1968.

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C. Personnel

1. As noted above, LIEMPTY-6 was terminated effective 31 May 1968 in connection with the closing of the LIMITED basehouse. Termination was completely amicable, and LIEMPTY-6 received a generous termination bonus.

2. LIEMPTY-26 was hired as of 1 May 1968 to help LILYRIC personnel maintain their expanded coverage. No security factor is involved, as LIEMPTY-26 is part of the same family as the rest of the LILYRIC personnel. LIEMPTY-26 had been granted an OA in 1965 and had been used sporadically since that time.

3. An amendment to GERENDE's contract has been requested. This amendment would guarantee GERENDE termination benefits equal to those provided for by Mexican law, in the event of GERENDE's termination by WOFIRM. The amendment would also provide GERENDE with a graduated scale of benefits should he decide to resign. See HMMA-3?312, 27 January 1969, for details.

3. EFFECTIVENESS

Throughout the period under review, each operational component of Project LIEMPTY contributed actively and concretely to the fulfillment of the operational tasks levied on Station Mexico City. High-lights of the accomplishments and the achievements of each component are cited below:

A. Fixed Basehouses

1. LIMITED

Until its termination, the LIMITED installation provided daily photographic coverage and physical surveillance of the main gate of the FJSTEAL installation. During the seven-month period from 1 November 1967 through 31 May 1968, the LIMITED base provided 911 frames of operational photographs. In addition, the LIMITED base provided over 1,000 pages of physical surveillance reports.

2. LILYRIC

During the Project year under review, the LILYRIC installation provided extensive photographic and fixed visual surveillance of the front of the FJSTEAL installation. The LILYRIC basehouse provided the majority of the operational photographs produced by the LIEMPTY Project. During the 13-month period from 1 November 1967 through 31 December 1968, the LILYRIC basehouse provided 15,331 operational photographs and several

thousand pages of physical surveillance reports covering the daily movements of all FJSTEAL officers. As a specific example of the importance of LILYRIC coverage, it was LILYRIC photos which made possible the identification of a WOLADY citizen who had been in clandestine contact with an AEGRIP officer. This information was turned over to LNERGO, which was pursuing the case. In general, LILYRIC provides the Station with a large percentage of the CI raw material collected on the FJSTEAL target, such as automobile license numbers, PCS and TDY arrivals ~~and~~ departures, unusual activities such as demonstrations, unusual or lengthy absences of personnel, etc. This information also has positive operational value, but its most important use is as the major source of identification of FJSTEAL personnel and of information on their movements. The Station has frequent requests from LNERGO which can only be fulfilled by LIEMPTY coverage, and this "permanent and complete record" of FJSTEAL activities is invaluable for servicing the CE requirements of both WOFIRM and LNERGO.

3. LICALLA

During the above cited 13-month period, the LICALLA installation provided photographic and physical surveillance coverage of the back of the FJSTEAL installation and its garden and patio area. This coverage provided 5,125 individual photographs as well as numberous surveillance and observation reports. These reports included daily, weekly, and monthly summaries of activities, semi-monthly attendance reports (of FJSTEAL personnel), various special reports, and special intensive coverage of targets selected by the Station. It should be noted that the LICALLA basehouse allows Station Mexico City to observe the FJSTEAL personnel during their off-duty and recreational hours. The LICALLA installation has become the most valuable of the basehouses, not only because of its unique vantage point but also because of the perceptiveness of LIEMPTY-9. His surveillance reports have frequently given us valuable insight into personal associations among the FJSTEAL personnel and have enabled us to introduce greater flexibility and effectiveness into the entire LIEMPTY operation. LICALLA reporting has the greatest positive operational value since it provides raw material for use in target selection. Finally, the LICALLA CP is occasionally used in support of various technical operations conducted from the LIMUSA complex.

B. Summary of Fixed Basehouse Effectiveness

The fixed LIEMPTY basehouses (LIMITED, LICALLA, and LILYRIC) provided approximately 21,367 individual frames of operational photographs during the 13-month period reviewed above. This photographic coverage, linked with the physical surveillance reports prepared by each basehouse, has proven to be a most reliable and viable tool for:

1. Following the daily comings and goings of FJSTEAL personnel and indigenous employees.

2. Confirming the identities of FJSTEAL staffers and their visitors (some of whom are ECLAPY citizens).

3. Ascertaining and verifying the relative rank and position as well as indicating the specific intelligence service connection of various FJSTEAL officers.

4. Providing detailed reporting on the movement and habit patterns of selected targets of special interest.

5. Providing physical facilities for the support of various operational, technical, and surveillance operations.

C. The Mobile Photographic Unit

1. During the period under review, the LIENTRAP mobile photographic unit covered 40 photographic assignments in support of Mexico City Station's FJSTEAL, PBRUMEN, and Communist Party operations. An average of two to three days is spent on each assigned target, usually rotating the time of day the coverage is provided. The LIENTRAP operators, LIEMPTY-10 and -11, have consistently turned in a useful and excellent quality photographic product.

2. In addition, while not on an assignment, both operators have regularly assigned duties. LIEMPTY-10 has the responsibility for obtaining, renewing, and servicing most of the Station's accommodation addresses. The addresses are serviced three times a week. LIEMPTY-11 has been serving part-time for the past year as the seventh member of the LIEMBRACE surveillance team and has performed well in this capacity.

D. Raymond H. GERENDE - LIEMPTY Principal Agent

During the period under review, Raymond H. GERENDE continued in his role as the Project LIEMPTY principal agent. GERENDE operates as the full-time cut-out to the LIMITED, LILYRIC, and LICALLA basehouses and bore the first echelon agent handling responsibility for the related personnel. In addition, GERENDE continued to bear the contact and handling responsibilities for the operator of the LIEMPTY photographic developing/processing laboratory, LIEMPTY-4. GERENDE's overall operational assignment involved at least 10 clandestine meetings per week, in addition to his meetings with the LIEMPTY Project case officer. It should also be noted that GERENDE made numerous and essential contributions to the sensitive JMROP operation and assisted the Station greatly with his detailed area knowledge in many instances. He is used to make independent investigations and neighborhood checks. He

assisted the Station in its MHRAVEL program. As a part of the Station's effort to broaden GERENDE's horizons and to take better advantage of his capabilities, GERENDE was made the handling officer for ERFAIN-3 under close case officer supervision. Similar tasks are envisioned for GERENDE in the future--agent handling as well as the spotting and assessment of operational leads. These tasks are all assigned with due regard for GERENDE's primary responsibilities, with the aim of getting the optimum use out of a capable and experienced field contract agent.

E. <u>Overall Effectiveness</u>

As outlined above, each individual operational component of the LIEMPTY Project, with the exception of the phased-out LIMITED basehouse, contributed regularly and significantly to the fulfillment of Station Mexico City's operational program. Based on the continued excellent performance of Project personnel and the overall contributions of this Project, the Station strongly recommends that this Project be continued during the forthcoming Project year as an essential element of the Station's operational support apparatus.

4. <u>PROBLEMS AND SECURITY</u>

During the Project year under review there were no known incidents which adversely affected the security of Project LIEMPTY or the related personnel. The termination of LIEMPTY-6 caused no problems, nor did the construction of a maid's room on the roof of the LICALLA installation, adjacent to LIEMPTY-9's photo point. There is no indication that FJSTEAL personnel had any suspicions about the construction work. The exposure of a LIEMBRACE surveillance vehicle (see MEXICO CITY 9283, 28 February 1969) caused momentary concern because the vehicle had been bought from a dealer where LIEMPTY-9 has a part-time job. Along with all other employees of the auto dealer, LIEMPTY-9 was questioned about the purchaser of the car. While LIEMPTY-9 was worried because he knew the purchaser of the car and was able to guess what had happened, the investigation was dropped and the case closed without any adverse effect on LIEMPTY-9 or the LICALLA basehouse.

5. <u>LIAISON AND INTER-AGENCY COORDINATION</u>

Not applicable to Project LIEMPTY.

6. <u>PLANS</u>

A. The changes made in the period under review have been largely technical. With the exception of a continued expansion of

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non-LIEMPTY-oriented operational activity by GERENDE, there are no significant operational changes contemplated. LIEMPTY is a project designed to support the Station's REDTOP program and is useful only as long as it supports that program effectively. The Station believes that the support has been effective, and that the product of the operation is valuable. Occasional minor changes will undoubtedly be made in response to specific requirements and to continual efforts toward improvement, but continuing emphasis on the FJSTEAL target for the foreseeable future means, among other things, that the LIEMPTY Project, in essentially its present form, will continue to be a necessary part of the Station's program.

B. No need for expansion, in terms of personnel or facilities, is foreseen, but costs will probably climb slowly but steadily to permit salary increases and to keep up with the rising cost of living as it affects utilities and supplies. Replacement of GERENDE's QI vehicle (which was not foreseen in the previous Project outline, as this was originally written by the Station to cover the period ending 30 November 19[illegible]) became necessary late in FY 19[illegible]. The current Project is being written on the assumption that the vehicle was in fact replaced in FY 19[illegible] and that no further replacement will be necessary in the foreseeable future.

7. COSTS

A. FY 1969 - Project LIEMPTY was approved for FY 1969 in the amount of 4[illegible],5[illegible]0 dollars. Station records project spending for FY 19[illegible] at almost exactly that figure. Semi-monthly accountings with pertinent receipts and/or certifications were submitted by Raymond H. GERENDE to the Station finance officer via the Project case officer for all LIEMPTY Project expenditures made in the field. It is estimated that approximately three hours of case officer and eight hours of analyst time is required each week to fulfill the operational, administrative, and analytical requirements of this project. (This figure does not include the 40 hour-week put in regularly by Raymond H. GERENDE.)

B. FY 1970 - It is requested that Project LIEMPTY be approved in the amount of 38,970 dollars for FY 1970 (this figure represents roughly a 10 percent decrease from the amount programmed for the previous Project year). While no large expenditures are anticipated for the replacement of photographic equipment during the forthcoming period, inflation may result in rising cost of utilities and supplies, and salary increases may be granted as indicated above. A detailed breakdown of Project expenditures for FY 1969, 1970 and 1971 follows.

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	FY 1969	FY 1970	FY 1971
SALARIES			
Raymond H. GERENDE (P/A)	$ [illegible],500	$ [illegible],500	$ 6,500
LIEMPTY-4 (photo processor)	2,400	2,400	2,400
LIEMPTY-9 (LICALLA)	4,320	4,320	4,320
LIEMPTY-10 (LIENTRAP)	4,224	4,224	4,224
LIEMPTY-11 (LIENTRAP)	2,616	2,736	2,736
LIEMPTY-13 (LILYRIC)	1,536	1,536	1,536
LIEMPTY-14 (LILYRIC)	1,824	1,824	1,824
LIEMPTY-26 (LILYRIC)	672	672	672
LIEMPTY-27 (LILYRIC)	1,728	1,728	1,728
LIEMPTY-[illegible] (LIMITED; Termination payment)	2,750	-0-	-0-
Christmas bonuses	2,140	2,140	2,140
Contingency for possible salary increase	500	2,000	4,000
SUB-TOTAL	$31,210	$30,080	$32,080
REAL ESTATE			
GERENDE Dark Room Rent (MEXI 137)	$ 9[illegible]0	$ 9[illegible]0	$ 960
LICALLA (MEXI 03)	1,248	1,248	1,248
LILYRIC (MEXI 132)	2,880	2,880	2,880
S/H Utilities	1,000	1,100	1,200
SUB-TOTAL	$ [illegible],088	$ 6,188	$ 6,288
VEHICLES			
MV-2 0[illegible] maintenance	$ 400	$ -0-	$ -0-
MV-2823 maintenance	600	800	1,000
Purchase of new MV and maintenance	4,000	400	500
SUB-TOTAL	$ 5,000	$ 1,200	$ 1,500
EQUIPMENT			
Maintenance and replacement of photographic equipment	$ 200	$ 500	$ 500
OPERATIONAL EXPENSES			
Purchase of film; rental of post office accommodation boxes; rental of vehicles; contingency fund	$ 1,000	$ 1,000	$ 1,000
TOTAL	$4[redacted]	$38,970	$41,370

C. As in the past, Raymond H. GERENDE will submit semi-monthly accountings for all Project expenditures with appropriate receipts or certifications. There will be no requirements for foreign currency beyond the Station's capability to provide.

8. EMERGENCY CONDITIONS

A. In the event of civil disorders or the evolution of complete enforced neutrality on the part of the host government, it is believed that regular operational contact could be maintained with the majority of the active LIEMPTY agents via Raymond H. GERENDE or in his absence, Oliver G. SCANTLING.

B. In the most unlikely event of the establishment of a regime openly hostile to LNFORT, limited contact could probably be maintained with the majority of the active Project agents. However, under these circumstances, it is highly probable that the activities of this Project would be somewhat curtailed.

C. Revised and up-dated emergency contact plans for use with Raymond H. GERENDE and Oliver G. SCANTLING are on file in the Station and at Headquarters (see HMMA-28538, dated 21 February 1966 and HMMA-28252, dated 9 February 1966).

50-6-74/1

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13 March 69
Date

NOTIFICATION OF PROJECT APPROVAL ACTION

TO FIELD FINANCE OFFICER

TO: Chief of Station ~~(Base)~~ Mexico City

~~INFO:~~ Attention: Finance Officer

PROJECT: LIEMPTY

FAN: 9135-1309

TYPE OF ACTION:

✓ OTHER Redistribution of funds $4000 transferred to funds available for Hqs use for car purchase.

____ NEW

____ RENEWAL

____ EXTENSION

____ AMENDMENT

____ TERMINATION AND DATE ____

PERIOD OF ACTION: ____ AMOUNT ____

FISCAL YEAR PROJECT APPROVAL:	FY 69	FY
THIS ACTION:	—	
PREVIOUS ACTION:	43520	
TOTAL FISCAL YEAR PROJECT APPROVAL:	43520	
FUNDS AVAILABLE FOR HQS USE:	4200	
FUNDS AVAILABLE FOR FIELD USE:*	39320	

*TO BE USED AS A GUIDE FOR DISTRIBUTION OF OBLIGATION AUTHORITY.

File
50-6-74

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11 MAR 69 IN 11841

DIRECTOR

LIEMPTY

1. PREPARATION LIEMPTY PROJECT RENEWAL REQUEST DELAYED DUE RIZZUTO'S RECENT TDY HQS. WILL POUCH 18 MARCH.

2. FILE 50-6-74/1.

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11 Mar 69
50-6-74/1

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DISPATCH

CLASSIFICATION: SECRET

PROCESSING ACTION: MARKED FOR INDEXING / X NO INDEXING REQUIRED / ONLY QUALIFIED DESK CAN JUDGE INDEXING / MICROFILM

TO: Chief of Station, Mexico City,

INFO.

FROM: Chief, Western Hemisphere Division

SUBJECT: LIEMPTY Project Renewal

ACTION REQUIRED - REFERENCES

Reference: Book Dispatch No.6769, 25 November 1968

This is a routine reminder that the LIEMPTY Project Renewal for FY 1970 will be due at Headquarters 14 March 1969.

Norris W. DAMICONE

Distribution:

Orig. & 1 - COS/Mexico City

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMMW-16984	13 JAN 1969 9 January 1969
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ORIGINATING

OFFICE	OFFICER	TYPIST	EXT.
WH/1	Al Malone	nrg	4167

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RI-1

CR-1

AN, AR, IH, PS, T, DS, EX, WH/1

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
WH/1	9 Jan. '69	W. J. Kaufman

FORM 53 USE PREVIOUS EDITION.
MFG. 1-66
(40)

DISPATCH

DISPATCH

CLASSIFICATION	PROCESSING ACTION	
SECRET		MARKED FOR INDEXING
	X	NO INDEXING REQUIRED
		ONLY QUALIFIED DESK CAN JUDGE INDEXING
		MICROFILM

TO: Chief of Station, Mexico City

INFO.

FROM: Chief, Western Hemisphere Division

SUBJECT: Approval of Project LIEMPTY

ACTION REQUIRED - REFERENCES

Project LIEMPTY has been approved for the period 1 December 1967 through 30 June 1969 in the amount of $69,725. Of the total, $26,205 would be disbursed in FY 1968, and $43,520 in FY 1969, representing no change in the funding you requested. $550 is retained for Headquarters use during FY 1968, and $200 (for photographic equipment) in FY 1969.

T.H.B.
Theresa H. BACHARDY

Distribution:
Orig. & 1 - COS, Mexico City

50-6-74/1

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CS COPY	HMMW-16419	23 MAY 1968 / 21 May 1968
	CLASSIFICATION	HQS FILE NUMBER
	SECRET	50-6-74/1

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT.
WH/1	Perkins	rc N Perkins	6954

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RI
CHRONO

AN FPK | FZ | WH/1
ABSTRACT X | INDEX

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
C/WH/1	21 May 68	W. J. Kaufman

FORM 1-63 53 USE PREVIOUS EDITION. MFG. 1-66 (40)

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______________________ Date

NOTIFICATION OF PROJECT APPROVAL ACTION TO FIELD FINANCE OFFICER

TO: Chief of Station (Base) ______________________

INFO: ______________________

PROJECT: LIEMPTY

FAN: ______________________

TYPE OF ACTION:

______ NEW

___✓___ RENEWAL

______ EXTENSION

______ AMENDMENT

______ TERMINATION AND DATE ______________

PERIOD OF ACTION: ______________ AMOUNT ______________

FISCAL YEAR PROJECT APPROVAL:	FY ______	FY ______
THIS ACTION:	______	______
PREVIOUS ACTION:	______	______
TOTAL FISCAL YEAR PROJECT APPROVAL:	______	______
FUNDS AVAILABLE FOR HQS USE:	______	______
FUNDS AVAILABLE FOR FIELD USE:*	______	______

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DISPATCH	SECRET [redacted]	PROCESSING ACTION
		MARKED FOR INDEXING
TO: Chief, WH Division		NO INDEXING REQUIRED
INFO: Chief, SB Division		ONLY QUALIFIED DESK CAN JUDGE INDEXING
FROM: Chief of Station, Mexico City		MICROFILM

SUBJECT: LIEMPTY Project Renewal Request

ACTION REQUIRED - REFERENCES

Forwarded herewith and under separate cover by split transmission is a request for the renewal of Project LIEMPTY for the period 1 December 1967 through 30 November 1968. Funds in the amount of $43,520 are requested for the project year; $26,205 to be alloted in FY 1968 and $17,315 in FY 1969.

RECORDS OFFICER STAMP
The following action is authorized: de-Kazok
Signed: [signature]
R.O. #030 - Unit [illegible]
Note: If destruction, cite reasons and coordinate if appropriate.

Vincent P. Rizzuto
for/Willard C. CURTIS

Attachment:
A - Project Renewal Request, right side (herewith)
B - Project Renewal Request, left side (under separate cover)

Distribution:
2 - C/WH, w/atts. A & B
2 - C/SB, w/atts. A & B

50 16 NOV 67

IPTT

50-6-74/1

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMMA-33455	8 November 1967
	CLASSIFICATION	HQS FILE NUMBER
	SECRET [redacted]	50-6-74/1

SECRET

30 JAN 1968

MEMORANDUM FOR: Assistant Deputy Director Plans

SUBJECT: Supplementary Appropriation for LIEMPTY

It is requested that the figures in the attached field project renewal be amended and that an additional $26,205 be approved to cover the period 1 December 1968 through 30 June 1969 in order to carry the LIEMPTY Project to the end of a fiscal year. This sum is identical to that requested for a similar period in 1968 as there is no present justification for projecting any change in the financial requirements. The supplement would bring the cost of LIEMPTY to a total of $69,725 for 19 months.

by Jacob D. Esterline
William V. Broe
Chief,
Western Hemisphere Division

RECORDS OFFICER STAMP
The following action is authorized: As Kayak
Signed: [illegible]
R.O. #330 - Unit WH/1/R
Note: If destruction, cite reasons and coordinate if appropriate.

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X

MEMORANDUM FOR: Deputy Director for Plans

SUBJECT : LIEMPTY Project Renewal

1. Renewal of Project LIEMPTY for the period 1 December 1967 through 30 November 1968 in the amount of $43,520 is hereby requested. $26,205 would be spent in FY 1968 and $17,315 in FY 1969. The project was budgeted for $45,000 for FY 1968; funds are available within the Division. Estimated costs for the coming project year are a little less than the amount programmed for the previous year and a little more than what was actually disbursed.

2. LIEMPTY is designed to provide physical surveillance of the Soviet Embassy in Mexico City. It covers three nearby properties (two in front of the Embassy's sole entrance and one behind the garden) from which visual and photographic surveillance are carried out by experienced personnel. The project also covers a darkroom where a technician processes the photographs. In addition to collecting this basic information on a primary target, certain of the LIEMPTY personnel are also available for miscellaneous support tasks, such as servicing postal boxes, and running fixed and moving surveillances. The photo truck which comes under the project is used on other targets as well, such as CP members, satellite embassies, and Latin American exiles. One of the basehouses is also used as a radio dispatch point for the LIEMBRACE surveillance team, but this function has been minimized during the past year in an effort to prevent Soviet interception of the signal.

3. a. The Mexican desk asked the appropriate operational component of SB Division for specific comment on the value of LIEMPTY, and received the following:

> "This rather unique operation has unquestionably made a major contribution to the increasingly effective Soviet Operations program of the Mexico Station. On the positive side its principal value lies in the identification of the Mexican and

third national contacts of the Soviets, from which we must select and develop the access agents so vital to our operations against the Soviet human target. LIEMPTY also provides us with a much clearer picture of the inner relationships and activity patterns within the Soviet mission itself, which in turn facilitates effective targeting. The CE value of a LIEMPTY type project as a monitor of real and potential agent contacts is of course obvious. It is important to note that LIEMPTY is not, as might be the case in stations of lesser overall capability, a simple case of photography (or observation) for the record. Rather it is an important facet of a concerted high priority effort to get at and recruit individual Soviets."

b. Station reporting has been in a similar vein. Information produced is largely for operational purposes and we often lack detail as to specific utility in a given situation, although we can produce statistics on numbers of photographs produced and numbers of pages of surveillance notes. It is clear that the FBI is an interested customer and they have received from LIEMPTY a great many reports on American callers at the Soviet Embassy, and valuable support to double agent operations.

c. During a conversation on 8 December 1967, the officer who heads the station's SB section told the branch that LIEMPTY is basic and essential to all of his branch's operational planning, that he "grabs the LIEMPTY material first thing in the morning" and studies it for leads, evidence of which Soviet officers have been in the Embassy ana which ones have been away, who has used which car, who has been talking to whom or going out of the building with whom, etc. etc. New additions to the Embassy staff can be tabbed as KGB or GRU by their associates, their activity patterns and the cars they drive. (The I.S. men are often away from the Embassy, while the legitimate FSO's tend to spend more time in their offices. The KGB, GRU and regular diplomatic groups seldom cross lines but stay within their own tight groups.) When

double agents are turned over from one case officer to a new one, known to them only in alias, we are often able, through surveillance and photographs, to establish the true identity of the new case officer, as was done in the case of AEGIMMICK in the spring of 1967.

4. In assessing the security of the operation, the station assumes that the Soviets realize that they are being watched, as was evidenced by a Soviet officer's trying to shield an FBI-directed walk-in from observation. There have been rumors that anyone entering the Soviet Embassy is photographed, but no allegations that the Americans are doing it have come to our attention; the probable assumption is that the Mexicans are doing this. A former source who lives in the neighborhood was asked on several occasions what he knew about LIEMPTY/6, one of the safehousekeepers, and the Soviets have said they think he is watching them. On the security of the LICALLA safehouse there is a difference of opinion. GERENDE, the outside case officer, thinks the Soviets are aware that they are being observed from this post, but station disagrees and produces good justification for its views, citing the fact that the above-mentioned FBI walk-in was not shielded when led into the back garden which LICALLA overlooks. We have no evidence that Soviet interest is any threat to the operation; rather it may be assumed that they accept the surveillance as a fact of life.

by [signature]
William V. Broe
Chief,
Western Hemisphere Division

14-00000

SECRET [redacted]

REQUEST FOR PROJECT RENEWAL

PROJECT LIEMPTY CASE OFFICER *Vincent P. Rizzuto*
Vincent P. RIZZUTO

STATION MEXICO CITY CHIEF OF STATION *Willard C. Curtis*
Willard C. CURTIS

CS COPY

8 Nov 67

50-6-74/1

X

SECRET [redacted]

S/C ATT. #2 to HMMA-33455 _ R.S. de H/W ATT. #1 to HMMA-33455

PROJECT LIEMPTY

REQUEST FOR RENEWAL

1. CURRENT OBJECTIVES

A. The overall objective of Project LIEMPTY, now in its tenth year of existence, is to collect operational information on the FJSTEAL installation, its personnel and visitors, as well as related targets of opportunity through stationary/mobile photographic and physical surveillance mechanisms. Corollary objectives which are to be fulfilled through use of the LIEMPTY installations, mechanisms and personnel are as follow:

1. To provide detailed operational information pertaining to the daily movements and activities of the FJSTEAL personnel, particularly those individuals of intelligence interest, as well as information on the FJSTEAL physical plant and visitors to the premises.

2. To collect operational information on persons associated with FJSTEAL personnel and on individuals known or suspected to have connections with the FJSTEAL intelligence services or other hostile groups which are inimical to the interests of LNFORT.

3. To provide operational support, counter surveillance and/or other protective services to WOFIRM personnel and operations, as may be levied upon the Station or as may be deemed necessary.

B. The above objectives are to be fulfilled through continued maintenance and exploitation of the LIMITED, LILYRIC and LICALLA basehouses, the LIENTRAP mobile unit, and the services of long-time contract agent, Raymond H. GERENDE. These objectives are in consonance with operational directives and Headquarters requirements as received by Station Mexico City.

C. Throughout the Project year under review, Project LIEMPTY continued to contribute directly and significantly to the fulfillment of Station and Headquarters' requests and requirements for coverage of various targets falling within the above cited framework. During the project year Project LIEMPTY provided nearly all of the operational photographs and physical surveillance reports used in Mexico City Station's operations targeted against the FJSTEAL installation and personnel. Specific examples of the LIEMPTY Project's progress and contributions will be found in Section 3 below (EFFECTIVENESS).

2. <u>CHANGES</u>

A. Operational - Since the institution of the changes described in the previous renewal request, it has not been found necessary or desirable to make further major changes. The following minor changes in operational technique have been made in an effort to obtain continued improvement in the finished product:

1. LIEMPTY-9's proven effectiveness as an observer (see paragraph 3 A (3) below) has enabled us to institute a system of special coverage on specific FJSTEAL personnel of interest, or special coverage of specific time periods of interest. The purpose is to permit the Station to gain greater insights into the activities and personal associations of certain individuals, or in overall activities during a certain time period. No change in LIEMPTY-9's overall working hours has been made; rather, flexibility has been introduced.

2. Flexibility has also been introduced into the handling of LIENTRAP, which is now working more closely with the LIEMBRACE team in order to take greater advantage of targets of opportunity. To this end, LIEMBRACE-1 has been placed in direct contact with LIENTRAP, relieving Raymond H. GERENDE of this responsibility and permitting GERENDE to devote time to MHRAVEL activity (see sub-paragraph (3) below).

3. In September and October 1967 GERENDE was employed by the Mexican MHRAVEL committee. This position gave him direct access to FJSTEAL and other delegations of interest, and supplemented the Station's MHRAVEL program. It is expected that GERENDE will obtain MHRAVEL employment again in 1968.

B. Financial - LIEMPTY-4 and -11 were granted salary increases effective 1 July 1967. Memoranda of Oral Commitment were forwarded to Headquarters in HMMA-32584 and HMMA-32585, 20 July 1967. There was no change in the salaries of the remaining LIEMPTY agents.

C. Personnel - None.

3. <u>EFFECTIVENESS</u>

Throughout the period under review, each operational component of Project LIEMPTY contributed actively and concretely to the fulfillment of the operational tasks levied on Station Mexico City. High-lights of the accomplishments and the achievements of each component are cited below:

A. Fixed Basehouses

1. LIMITED

Throughout the past project year the LIMITED installations provided daily photographic coverage and physical surveillance of the main gate of the FJSTEAL installation. In addition, the LIMITED base provided for a fixed radio dispatching station which was used to support the LIEMBRACE surveillance team. Due to the stringent security measures instituted in the immediate vicinity of the FJSTEAL installation by local security forces, normal stake-outs by this unilateral team are precluded. However, with the radio dispatching support from the LIMITED radio base, which allows the LIEMBRACE team to work from adjacent safe areas, secure surveillance coverage of this target can be provided. During the 12-month period from 1 November 1966 through 31 October 1967, the LIMITED base provided 1,834 frames of operational photographs. In addition, the LIMITED base provided over 2,500 pages of physical surveillance reports.

2. LILYRIC

During the project year under review, the LILYRIC installation provided extensive photographic and fixed visual surveillance of the front of the FJSTEAL installation. The LILYRIC base provided the majority of the operational photographs produced by the LIEMPTY project. During the 12-month period cited in the LIMITED section above, the LILYRIC base provided 12,137 operational photographs and several thousand pages of physical surveillance reports covering the daily movements of all FJSTEAL officers.

3. LICALLA

During the above cited 12-month period, the LICALLA installation provided photographic and physical surveillance coverage of the back of the FJSTEAL installation and its garden and patio area. This coverage provided 4,917 individual photographs as well as numerous surveillance and observation reports. It should be noted that the LICALLA base allows Station Mexico City to observe the FJSTEAL personnel during their off-duty and recreational hours. The LICALLA installation has become the most valuable of the three, not only because of its unique vantage point but also because of the perceptiveness of LIEMPTY-9. His surveillance reports have frequently given us valuable insight into personal associations among the FJSTEAL personnel and have enabled us to introduce greater flexibility and effectiveness into the entire LIEMPTY operation.

B. <u>Summary of Fixed Basehouse Effectiveness</u>

The fixed LIEMPTY basehouses (LIMITED, LICALLA and LILYRIC) provided approximately 18,888 individual frames of operational photographs during the 12-month period of the past project year. This photographic coverage, linked with the physical surveillance reports prepared by each basehouse, has proven to be a most reliable and viable tool for:

1. Following the daily comings and goings of FJSTEAL personnel and indigenous employees.

2. Confirming the identities of FJSTEAL staffers and their visitors (some of whom are WOLADY citizens).

3. Ascertaining and verifying the relative rank and position as well as indicating the specific intelligence service connection of various FJSTEAL officers.

4. Providing detailed reporting on the movement and habit patterns of selected targets of special interest.

5. Providing physical facilities for the support of various operational, technical and surveillance operations.

C. <u>The Mobile Photographic Unit</u>

1. Throughout the period under review, the LIENTRAP mobile photographic support unit was regularly exploited and used by Station Mexico City, not only on the FJSTEAL target, but also for PBRUMEN and Communist Party operations as well as the JMTIGER program. Over 2,000 operational photographs were provided. In addition, the LIENTRAP personnel and unit was used regularly to service and obtain various postal accomodation boxes used by Mexico City, Headquarters and other field stations.

D. <u>Raymond H. GERENDE - LIEMPTY Principal Agent</u>

During the period under review, with the exception of short vacation periods, Raymond H. GERENDE, continued in his role as the Project LIEMPTY principal agent. GERENDE operated as the full-time cut-out to the LIEMPTY, LILYRIC and LICALLA basehouses and bore the first echelon agent handling responsibility for the related personnel. In addition, GERENDE

continued to bear the contact and handling responsibilities of the LIENTRAP unit (until mid-August 1967 - see paragraph 2 A (2) above) and for the operator of the LIEMPTY photographic developing/processing laboratory, LIEMPTY-4. GERENDE's overall operational assignment involved at least 12 clandestine meetings per week, in addition to his meetings with the LIEMPTY Project case officer. It should also be noted that GERENDE made numerous and essential contributions to the sensitive AMROD operation and assisted the Station greatly with his detailed area knowledge in many instances. He is frequently used to make independent investigations and neighborhood checks. As noted above, he contributed significantly to the Station's MHRAVEL program. Finally, he approached, developed and eventually attempted to recruit an agent for use in PBRUMEN operations.

E. <u>Overall Effectiveness</u>

As outlined above, each individual operational component of the LIEMPTY Project contributed regularly and significantly to the fulfillment of Station Mexico City's operational program. Based on the continued excellent performance and overall contributions of this project, the Station strongly recommends that this project be continued during the forthcoming project year as an essential element of the Station's operational support apparatus.

4. <u>PROBLEMS AND SECURITY</u>

During the project year under review there were no known incidents which adversely affected the security of Project LIEMPTY or the related personnel.

5. <u>LIAISON AND INTER-AGENCY COORDINATION</u>

Not applicable to Project LIEMPTY.

6. <u>PLANS</u>

A. As noted above, the technical and operational changes made in the past year have been effective and have resulted in a product which is as closely geared to operational requirements as possible. While no major changes are contemplated, every effort will be made to continue to improve the product, including greater use of GERENDE as an independent investigative asset, and as a spotter and assessor of selected agent candidates. Such utilization of GERENDE will be kept compartmented from other personnel of the LIEMPTY project and will normally be handled by GERENDE in operational alias.

B. The LIENTRAP vehicle has been replaced, and no major changes in personnel or material are contemplated. Salaries of LIEMPTY personnel will be reviewed, and it is foreseen that the rising cost of living will compel us to recommend salary increases for certain of the agents who have not received raises in some time.

7. **COSTS**

A. Past Project Year - Project LIEMPTY was previously approved for the period 1 December 1966 through 30 November 1967 for the amount of 45,000 U.S. currency. Station records indicate that through 31 October 1967, Project LIEMPTY has expended 37,040 in the field. It is estimated that a total of 40,130 will be expended in the entire project year. Bi-weekly accountings with pertinent receipts and/or certifications were submitted by Raymond H. GERENDE to the Station finance officer via the project case officer for all LIEMPTY Project expenditures made in the field. It is estimated that approximately 5 hours of case officer and 10 hours of analyst time is required each week to fulfill the operational, administrative and analytical requirements of this project. (This figure does not include the 40 hour-week put in regularly by Raymond H. GERENDE).

B. During Project Year - It is requested that Project LIEMPTY be approved in the amount of 43,520 U.S. currency for the period 1 December 1967 through 30 November 1968 (this figure represents a slight decrease from the amount programmed for the previous project year). While no large expenditures are anticipated for the replacement of photographic equipment during the forthcoming period, an increase in the rental of the various basehouses may be encountered as well as the above-cited expectation of salary increases. Of the amount requested above, 26,205 dollars should be allowed for fiscal year 1968 and 17,315 dollars for fiscal year 1969. A detailed breakdown of the project expenditure by category and by fiscal year follows:

SALARIES (INCLUDING CHRISTMAS BONUS)		FY 68	FY 69
Raymond H. GERENDE (P/A)........	$ 7,036		
LIEMPTY-4 (photo lab)...........	2,600		
LIEMPTY-6 (LIMITED basehouse keeper)...............	3,848		
LIEMPTY-9 (LICALLA basehouse keepter)..............	4,160		
LIEMPTY-10 (LIENTRAP operator)..	4,576		
LIEMPTY-11 (LIENTRAP operator)..	2,704		
LIEMPTY-13 (Cut-out to LILYRIC).	1,664		
LIEMPTY-14 (LILYRIC basehouse keeper)..............	1,872		
LIEMPTY-27 (LILYRIC operator)...	1,560		
	$30,020	$18,475	$11,545
Contingency for possible salary increases................	2,000	1,000	1,000
TOTALS.............	$32,020	$19,475	$12,545

		FY 68	FY 69
VEHICLE MAINTENANCE			
MV 2606 (GERENDE)..............	$1,000		
MV ~~2889~~ 2823 (LIENTRAP).............	1,000		
	$2,000	$1,165	$ 835
REAL ESTATE (RENT, UTILITIES)			
LILYRIC..........................	$3,200		
LIMITED..........................	2,000		
LICALLA..........................	1,800		
Photo Lab........................	1,000		
	$8,000	$4,665	$3,335
EQUIPMENT			
Maintenance and replacement of photographic equipment.........	$ 500	$ 300	$ 200
OPERATIONAL EXPENSES			
Purchase of film; rental of post office accomodation boxes; rental of vehicles; contingency fund..........................	$1,000	$ 600	$ 400
TOTALS..............	$43,520	$26,205	$17,315

C. As in the past, Raymond H. GERENDE will submit bi-weekly accountings for all project expenditures with appropriate receipts or certifications. There will be no requirements for foreign currency beyond the Station's capability to provide.

8. EMERGENCY CONDITIONS

A. In the event of civil disorders or the evolution of complete enforced neutrality on the part of the host government, it is now believed that regular operational contact could be maintained with the majority of the active LIEMPTY agents via Raymond H. GERENDE or in his absence, Oliver G. SCANTLING.

B. In the most unlikely event of the establishment of a regime openly hostile to LNFORT, limited contact could probably be maintained with the majority of the active project agents. However, under the circumstances described above, it is highly probable that the activities of this project would be somewhat curtailed.

C. Revised and up-dated emergency contact plans for use with Raymond H. GERENDE and Oliver G. SCANTLING are on file in the Station and at Headquarters (see HMMA-28333, dated 21 February 1966 and HMMA-28252, dated 9 February 1966).

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING ACTION:
- MARKED FOR INDEXING
- X NO INDEXING REQUIRED
- ONLY QUALIFIED DESK CAN JUDGE INDEXING
- MICROFILM

TO: Chief of Station, Mexico City

INFO.

FROM: Chief, WH Division

SUBJECT: Renewal of LIEMPTY

ACTION REQUIRED - REFERENCES

This is a reminder that LIEMPTY will be up for renewal on 1 December. Please try to let us have your draft at least a month before that time.

T.H.B.

Theresa H. BACHARDY

Distribution:
2 - COS, Mexico City

50-6-74/1

CS COPY

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMMW-15759	1 September 1967
	CLASSIFICATION: SECRET	HQS FILE NUMBER: 50-6-74/1

RI
Chrono

ABSTRACT ★ INDEX

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT.
WH/1	N. Perkins	sas	6954

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
AC/WH/1	9/1	J. Fisher

FORM 1-63 53 USE PREVIOUS EDITION. MFG. 1-66

DISPATCH

DISPATCH

CLASSIFICATION: SECRET

PROCESSING ACTION: X NO INDEXING REQUIRED

TO: Chief of Station, Mexico City

INFO:

FROM: Chief, WH Division

SUBJECT: LIEMPTY Project Renewal

ACTION REQUIRED - REFERENCES

Reference: HMMA-30403

1. The LIEMPTY Project was renewed on 13 January 1967 for the period 1 December 1966 through 30 November 1967 for a total of $45,000. Of this, $29,020 is for FY 1967 and $15,980 is for FY 1968.

2. At the Station's convenience, Headquarters would appreciate receiving a sketch showing the exact position of the LILYRIC and LIMITED Basehouses in relation to the target building. We would also like to have a description of LIMOUSINE's new building--how many floors, how many apartments on each floor, who occupies the other apartments (or stores), and exactly where the LILYRIC base is in the building.

3. You are requested to continue reporting any unusual interest displayed by the target in the LIEMPTY Basehouses.

Elsie I. SCALETTI

Distribution:
Orig & 1 - COS, Mexico City

50-6-74/1

23 JAN 1967

CROSS REFERENCE TO: CS COPY

DISPATCH SYMBOL AND NUMBER: HMMW-15157

DATE: 18 January 1967

CLASSIFICATION: SECRET

HQS FILE NUMBER: 50-6-74/1

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT.
WH/1	C. Bustos-Videla	nao	6954

RI
Chrono

ABSTRACT X — WH/1

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
C/WH/1		W. J. Kaufman

FORM 1-63 53 USE PREVIOUS EDITION.

DISPATCH

14-00000

SECRET

STAFF REVIEW OF FI/CI PROJECT

RETURN TO:	DDP/PG FI-CI Projects 3 C 43
PROJECT	LIEMPTY
FUNDS	$45,000
CASE OFFICER	C. Bustos-Videla
EXTENSION	3654
ROOM	332 Ames
DIVISION	WH
STATION	Mexico City
TARGET AREA	Mexico
RECEIVED DDP PG	12 Dec 66
FORWARDED	13 Dec 66
DEADLINE	27 Dec 66
RETURNED	

ACTION		APPROVAL LEVEL		REVIEWING COMPONENTS							
	APPROVAL		DIVISION OR STAFF	X	FI/OPS	X	CI/OPS		CCS		OTHER
X	RENEWAL	X	DDP		/INT						
	AMENDMENT		DCI		/						
	EXTENSION										
	TERMINATION										

ROUTING OFFICE COMMENTS

COMMENT FOR INTERNAL STAFF USE (Not to go forward to the Division)

COMMENTS AND RECOMMENDATIONS (To go forward to the Division)

The CI Staff concurs in the renewal of this very valuable Project. The Staff strongly urges the Station to continue its close monitoring of Soviet interest in the installation buildings and attempts to obtain information on sensitive project personalities. The Station should devise necessary contingency plans of action to eliminate any security hazards if it is determined that the Soviets are intensifying such efforts and could be getting "too close" to the Project installations, personalities and activities.

CC SENT DIV.

DATE 16 Dec 66

DATE	REVIEWING OFFICER
16 Dec 1966	W. Hughes

FORM 7-63 526 USE PREVIOUS EDITION

SECRET

(13-20-40)

SECRET [redacted]

REQUEST FOR PROJECT RENEWAL

PROJECT: LIEMPTY

CASE OFFICER: Cornelius L. Peuvion
Cornelius L. PEUVION

STATION: MEXICO CITY

CHIEF OF STATION: Willard C. Curtis
Willard C. CURTIS

26 of 46

50-6-74/1

CS COPY SECRET [redacted]

1E ATT. #1 h HMMA-30403 R. Side ATT #1 h HMMA-30403

14-00000

[redacted]

REQUEST FOR RENEWAL

PROJECT LIEMPTY

1. CURRENT OBJECTIVES

A. The overall objective of Project LIEMPTY, now in its ninth year of existence, is to collect operational information on the LIMERICK installation, its personnel and visitors, as well as related targets of opportunity through stationary/mobile photographic and physical surveillance mechanisms. Corollary objectives which are to be fulfilled through use of the LIEMPTY installations, mechanisms and personnel are as follow:

1. To provide detailed operational information pertaining to the daily movements and activities of the LIMERICK personnel, particularly those individuals of intelligence interest, as well as information on the LIMERICK physical plant and visitors to the premises.

2. To collect operational information on persons associated with LIMERICK personnel and on individuals known or suspected to have connections with the LIMERICK intelligence services or other hostile groups which are inimical to the interests of LNFORT.

3. To provide operational support, counter surveillance and/or other protective services to WOFACT personnel and operations, as may be levied upon the Station or as may be deemed necessary.

B. The above objectives are to be fulfilled through continued maintenance and exploitation of the LIMITED, LILYRIC and LICALLA basehouses, the LIEMTRAP mobile unit, and the services of long-time contract agent, Raymond H. GERENDE. These objectives are in consonance with and represent partial fulfillment of the following sections of the current Related Mission Directive (RMD) as approved for Station Mexico City:

PRIORITY A
Section 1, subsection f
Section 2, subsections b & e

PRIORITY B
Section 1, subsection a
Section 2, subsection a

C. Throughout the Project year under review, Project LIEMPTY continued to contribute directly and significantly to the fulfillment of Station and Headquarters' requests and requirements for coverage of various targets falling within the framework of the above cited sections of the RMD. During the last 10 months Project LIEMPTY provided the vast majority of the operational photographs (approximately 18,000) and physical surveillance reports (4,000) used in Mexico City Station's operations targetted against

[redacted]

14-00000

the LIMERICK installation and personnel. Specific examples of the LIEMPTY Project's progress and contributions to the RMD will be found in Section 3 below (EFFECTIVENESS).

2. CHANGES.

A. Operational - As noted in the previous Request for Project Renewal, the former LIMITED property was sold to LIMOUSINE, who as per formal agreement with the Station, demolished the old structure and constructed a new edifice. While it was initially contemplated to place the LIMITED (LIEMPTYs -6 and -7) personnel in the new building and to retain the same, equal division of workload between LILYRIC and LIMITED, it was later decided to move the present LILYRIC basehouse personnel (LIEMPTYs-13, -14, -26 and -27) into the new base instead, along with the following ancillary modifications:

An increase in the hours of both the photographic and physical surveillance coverage provided from the new base by the LILYRIC operators (0800-1600 hours) during the weekdays and to have the LIMITED base provide photographic and physical surveillance coverage from 1600-1830 hours on weekdays and from 0900-1300 hours on weekends. These changes were dictated by the following considerations:

1. The new LIMOUSINE building offers a much better vantage point for both photographic and physical surveillance than does the present complex which houses the LILYRIC and LIMITED bases. Therefore, the Station felt that the personnel occupying this new base should be those possessing the highest technical skills and also those able to provide the most thorough and complete coverage. Since the LIMITED base now has only one trained operator while the LILYRIC basehouse has three, the LILYRIC group and a revision of working hours was indicated.

2. Because it was apparent that the coverage of the LIMERICK installation would be a long-range and continuing requirement, the Station desired to staff the new base with personnel of long-range potential. LIEMPTY-6, now almost 60 years old, does not possess this potential; however, the LILYRIC agent complex happily combines experienced personnel with youthful agents.

3. Finally, the social and financial status of the LILYRIC personnel is much more compatible and consistent with the environment of the new building than is that of the LIMITED family.

The above-cited revised work schedule was initiated in July 1966 and the actual movement of the LILYRICs into the new base began in late September 1966.

B. Financial - After a detailed review of the then-existing LIEMPTY agent salary structure, selected agents (LIEMPTYs -6, -9, -10, and -11) were granted salary increases effective 1 January 1966. Formal notification and revised memoranda of oral commitment were forwarded to Headquarters with HMMA-26,136, dated 25 January 1966. There was no change in the salaries of the 8 remaining LIEMPTY agents.

C. Personnel

1. During the Project year under review, LIEMPTY-6, -9, -13, -14, -26 and -27 were afforded their initial LCSWIRL examinations, all with satisfactory results.

2. LIEMPTY-26 was granted an OA effective 29 November 1965 for use as a cut-out to the LIMITED basehouse (HMMW-14177, dated 9 December 1965). LIEMPTY-26 has been actively used during the past Project year for the above-stated purpose.

3. LIEMPTY-27 was granted an OA on 27 July 1966 for use as a part-time LILYRIC basehouse operator (HMMW-14757, dated 1 August 1966). While LIEMPTY-27's heavy university schedule has thus far precluded his regular use by the Station, it is anticipated that subject will be regularly employed after the end of the present school term.

3. EFFECTIVENESS.

Throughout the period under review, each operational component of Project LIEMPTY contributed actively and concretely to the fulfillment of the operational tasks levied on Station Mexico City by the RMD and other directives. High-lights of the accomplishments and the achievements of each component are cited below:

A. Fixed Basehouses

1. LIMITED

Throughout the past Project year (with the change in working hours noted in paragraph 2 above), the LIMITED installation provided daily photographic coverage and physical surveillance of the main gate of the LIMERICK installation. In addition, the LIMITED base provided for a fixed radio dispatching station which was used continually to support the LIEMBRACE surveillance team. Due to the stringent security measures instituted in the immediate vicinity of the LIMERICK installation by local security forces, normal stake-outs by this unilateral team are precluded. However, with the radio dispatching support from the LIMITED radio base, which allows the LIEMBRACE team to work from adjacent safe areas, secure surveillance coverage of this

target can be provided. During the 9-month period from 1 November 1965 through 30 July 1966, the LIMITED base provided 3,775 frames of operational photographs. In addition, the LIMITED base provided over 1,000 pages of physical surveillance reports.

2. LILYRIC

During the Project year under review, the LILYRIC installation provided extensive photographic and fixed visual surveillance of the front of the LIMERICK installation. The LILYRIC base not only provided the majority of the operational photographs produced by the LIEMPTY project, but also provided the most detailed physical surveillance reports. During the 9-month period cited in the LIMITED section above, the LILYRIC base provided over 6,500 operational photographs and 3,000 pages of physical surveillance reports covering the daily movements of all LIMERICK officers.

3. LICALLA

During the above cited 9-month period, the LICALLA installation provided photographic and physical surveillance coverage of the back of the LIMERICK installation and its garden and patio area. This coverage provided over 3,600 individual photographs as well as numerous surveillance and observation reports. It should be noted that the LICALLA base allows Station Mexico City to observe the LIMERICK personnel during their off-duty and recreational hours.

B. Summary of Fixed Basehouse Effectiveness

The fixed LIEMPTY basehouses (LIMITED, LICALLA and LILYRIC) provided approximately 17,000 individual frames of operational photographs during the first 9-month period of the past project year. Within the last year, this photographic coverage linked with the physical surveillance reports prepared by each basehouse, has proven to be a most reliable and viable tool for:

1. Following the daily comings and goings of LIMERICK personnel and indigenous employees.

2. Confirming the identities of LIMERICK staffers and their visitors (some of whom are WOLADY citizens).

3. Ascertaining and verifying the relative rank and position as well as indicating the specific intelligence service connection of various LIMERICK officers.

4. Providing detailed reporting on the movement and habit patterns of selected targets of special interest.

5. Providing physical facilities for the support of various operational, technical and surveillance operations.

[redacted]

C. The Mobile Photographic Unit.

1. Throughout the period under review, the LIENTRAP Mobile photographic/support unit was regularly exploited and used by Station Mexico City. This unit provided over 1,000 individual photographs and was used in support of Station operations and activities. Of particular value to Station Mexico City and the JMTIGER program were numerous photographs of local and exile Communist leaders provided by LIENTRAP. In addition, the LIENTRAP personnel and unit was used regularly to service and obtain various postal accommodation boxes used by Mexico City, Headquarters and other field stations.

D. Raymond H. GERENDE - LIEMPTY Principal Agent.

During the period under review, with the exception of short vacation periods, Raymond H. GERENDE, continued in his role as the Project LIEMPTY principal agent. GERENDE operated as the full-time cut-out to the LIEMPTY, LILYRIC and LICALLA basehouses and bore the first echelon agent handling responsibility for the related personnel. In addition, GERENDE continued to bear the contact and handling responsibilities of the LIENTRAP unit and for the operator of the LIEMPTY photographic developing/processing laboratory, LIEMPTY-4. GERENDE's overall operational assignment involved at least 12 clandestine meetings per week, in addition to his meetings with the LIEMPTY Project case officer. It should also be noted that GERENDE made numerous and essential contributions to the sensitive AMROD operation and assisted the Station greatly with his detailed area knowledge in many instances.

E. Overall Effectiveness

As outlined above, each individual operational component of the LIEMPTY Project contributed regularly and significantly to the fulfillment of Station Mexico City's operational program. Based on the continued excellent performance and overall contributions of this project, the Station strongly recommends that this project be continued during the forthcoming project year as an essential element of the Station's operational support apparatus.

4. PROBLEMS AND SECURITY.

During the Project year under review there were no known incidents which adversely affected the security of Project LIEMPTY or the related personnel. The only significant problem encountered in the operation and administration of this project stemmed from the physical move of the LILYRIC personnel to the new base in the LIMOUSINE building. Numerous delays arising from the faulty performance of the local contractors and construction crews hampered a timely relocation of this base. However, it is anticipated that the new LILYRIC base will be in full operation by the end of October 1966.

[redacted]

5. LIAISON AND INTER-AGENCY COORDINATION.

Not applicable to Project LIEMPTY.

6. PLANS.

A. As outlined in paragraph 6 of the Station's previous request for the renewal of Project LIEMPTY, a program was undertaken to reequip and modernize the LIEMPTY photographic processing base. During the past year, a significant portion of the equipment used in the developing and processing laboratory was replaced. As a result of this program, negatives and photographic prints of much higher quality are now being produced. Consequently, only minor changes in the operation of the photographic laboratory and its equipment are contemplated for the ensuing period.

B. The present physical condition, mileage and frequent use of the LIENTRAP unit dictates the immediate replacement of this unit. Station Mexico City has received Headquarters approval for the replacement of this vehicle.

C. Other than noted above, Mexico City plans no significant operational, administrative or personnel changes, since it is generally felt that this Project is now operating at its optimum size and in a highly satisfactory manner. After 1 January 1967, the Station will review the existing LIEMPTY personnel salary schedule and consider possible raises, again on a selective basis or specifically keyed to the rising cost of living.

7. COSTS.

A. Past Project Year - Project LIEMPTY was previously approved for the period 1 December 1965 through 30 November 1966 for the amount of 41,500 U.S. currency. Station records indicate that thus far, Project LIEMPTY has expended 30,598.13 in the field. It is estimated that approximately 1,500 dollars has been expended by Headquarters, principally in the acquisition of new equipment for the LIEMPTY photographic laboratory. Bi-weekly accountings with pertinent receipts and/or certifications were submitted by Raymond H. GERENDE to the Station finance officer via the Project case officer for all LIEMPTY Project expenditures made in the field. It is estimated that approximately 12 hours of case officer and 5 hours of analyst time is required each week to fulfill the operational, administrative and analytical requirements of this Project. (This figure does not include the 40 hour-week put in regularly by Raymond H. GERENDE).

B. Ensuing Project Year - It is requested that Project LIEMPTY be approved in the amount of 45,000 U.S. currency for the period 1 December 1966 through 30 November 1967 (this figure represents only a slight increase over the amount programmed for the previous Project year). While no large expenditures are anticipated for the replacement of photographic equipment during the forthcoming period, an increase in the rental of the various basehouses will be encountered as well as the above-cited replacement of the

[redacted]

LIENTRAP unit. Of the amount requested above, 29,020 dollars should be allowed for fiscal year 1967 and 15,980 dollars for fiscal year 1968. A detailed breakdown of the Project expenditure by category and by fiscal year follows:

SALARIES (INCLUDING CHRISTMAS BONUS)

		FY 67	FY 68
Raymond M. GERENDE (P/A)	$ 7,000		
LIEMPTY-4 (photo lab)	2,600		
LIEMPTY-6 (LIMITED basehouse-keeper)	3,900		
LIEMPTY-9 (LICALLA basehouse keeper)	4,000		
LIEMPTY-10 (LIENTRAP operator)	4,400		
LIEMPTY-11 (LIENTRAP operator)	2,600		
LIEMPTY-26 (Cut-out to LILYRIC)	2,200		
LIEMPTY-13 (LILYRIC basehouse-keeper)	2,200		
LIEMPTY-27 (LILYRIC operator)	2,000		
	$30,900	$19,150	$11,750

VEHICLE MAINTENANCE

MV 2606 (GERENDE)			
MV 2279 (LIENTRAP unit replace)		(3,500)	
	$ 5,000	$ 4,315	$ 685

REAL ESTATE (RENT, UTILITIES)

LIMITED	3,000		
LILYRIC	1,800		
LICALLA	1,800		
Photo Lab	1,000		
	$ 7,600	$ 4,430	$ 3,170

EQUIPMENT

Maintenance and replacement of photographic equipment			
	$ 500	$ 375	$ 125

OPERATIONAL EXPENSES

Purchase of film; rental of PO accommodation boxes; rental of vehicles; contingency fund			
	$ 1,000	$ 750	$ 250
TOTAL	$45,000	$29,020	$15,980

[redacted]

14-00000

[redacted]

-4-

C. As in the past, Raymond H. GERENDE will submit bi-weekly accountings for all Project expenditures with appropriate receipts or certifications. There will be no requirements for foreign currency beyond the Station's capability to provide.

8. EMERGENCY CONDITIONS.

A. In the event of civil disorders or the evolution of complete or enforced neutrality on the part of the host government, it is now believed that regular operational contact could be maintained with the majority of the active LIEMPTY agents via Raymond H. GERENDE or in his absence, Oliver G. SCANTLING.

B. In the most unlikely event of the establishment of a regime openly hostile to LNFORT, limited contact could probably be maintained with the majority of the active Project agents. However, under the circumstances described above, it is highly probable that the activities of this Project would be somewhat curtailed.

C. Revised and up-dated emergency contact plans for use with Raymond H. GERENDE and Oliver G. SCANTLING are on file in the Station and at Headquarters (see HMMA-28355, dated 21 February 1966 and HMMA-28252, dated 9 February 1966).

[redacted]

Att #1 HMMA-30403

50-6-74/1

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING ACTION: X NO INDEXING REQUIRED

TO: Chief of Station, Mexico City

FROM: Acting Chief, WH Division

SUBJECT: LIEMPTY Project Renewal

ACTION REQUIRED - REFERENCES

The LIEMPTY Project forwarded in HMMA-27569 expires on 30 November 1966. The renewal request should be forwarded to Headquarters by 1 November.

Elsie I. SCALETTI

Distribution:
Orig & 1 - COS, Mexico City

LIEMPTY CB
50-6-74/1

15 SEP 1966

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
CS COPY	HMMW-14856	1 September 1966
	CLASSIFICATION: SECRET	HQS FILE NUMBER: 50-6-74/1

RI
Chrono

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT
WH/1/C.	Bustos-Videla	kaw	3654

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
AC/WH/1	9/1	J. Fisher

FORM 53 USE PREVIOUS EDITION

DISPATCH

14-00000

DISPATCH	CLASSIFICATION SECRET	PROCESSING ACTION
TO Chief of Station, Mexico City		MARKED FOR INDEXING NIR . NO INDEXING REQUIRED ONLY QUALIFIED DESK CAN JUDGE INDEXING MICROFILM
FROM Chief, WH Division		

SUBJECT
LIEMPTY Project Renewal

ACTION REQUIRED - REFERENCES

REF: HMMA 27569, 2 November 1965

1. The LIEMPTY Project was approved on 11 February 1966 for the period 1 December 1965 through 30 November 1966 for a total of $41,500; $25,520 for FY 1966 and $15,980 for FY 1967.

2. There were no changes made in the Station's request for renewal, and no recommendations were made by the coordinating and approving authorities.

Elsie I. SCALETTI

Distribution:
O & 1 - COS, Mexico City

17 February 1966

Bustos
LIEMPTY
50-6-74/1

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	CS COPY HMMW 14343	21 FEB 1966
	CLASSIFICATION SECRET	HQS FILE NUMBER 50-6-74/1

RI
Chrono

WH/1

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT
WH/1/Bustos-Videla:mep			4506

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
DC/WH/1	2/17	J.H.V. Fisher

FORM 1-63 53 USE PREVIOUS EDITION

DISPATCH

14-00000

DISPATCH

CLASSIFICATION: SECRET/[redacted]

PROCESSING ACTION
- MARKED FOR INDEXING
- NO INDEXING REQUIRED
- ONLY QUALIFIED DESK CAN JUDGE INDEXING
- MICROFILM

TO: Chief, WH Division

INFO.

FROM: Chief of Station, Mexico City

SUBJECT: LIEMPTY Project Renewal Request

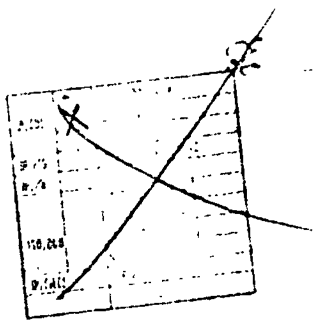
ACTION REQUIRED - REFERENCES

Action Required: See paragraph 2.

1. Station Mexico City's Project LIEMPTY expires on 30 November 1965. Forwarded herewith and under separate cover in split transmission is the Request for Renewal of Project LIEMPTY.

2. It is requested that Project LIEMPTY be renewed for the period 1 December 1965 through 30 November 1966 in the amount of $41,500. Of this total, $25,520 should be allotted for FY 1966 and $15,980 for FY 1967.

for Willard C. CURTIS



RECORDS OFFICER STAMP

The following action is authorized: AC - Kapok

Signed: [signature]

R.O. #(3) - Unit: [illegible]

Note: If destruction, cite reasons and coordinate if appropriate.

Attachment:
Left hand side h/w
Right hand side u. s. c.

Distribution:
③ - C/WHD w/att h/w & u. s. c.

CS COPY

50-6-74/1

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMMA-27369	2 November 1965
	CLASSIFICATION: SECRET/[redacted]	HQS FILE NUMBER: 50-6-74/3

SECRET [redacted]

REQUEST FOR RENEWAL

PROJECT LIEMPTY

1. CURRENT OBJECTIVES

A) The overall objective of Project LIEMPTY, now in its eighth year of existence, is to collect operational information on the LIMERICK installation and personnel, as well as related targets of opportunity, through stationary and mobile photographic and physical surveillance mechanisms. Corollary objectives which are to be fulfilled through the use of the LIEMPTY installations and personnel are as follow:

1) To provide operational information pertaining to the daily activities and movements of the LIMERICK personnel, particularly those individuals of intelligence interest, as well as information on the LIMERICK physical facilities and visitors to the premises.

2) To collect operational information on persons associated with LIMERICK and on individuals known or suspected to have connections with opposition intelligence services or other hostile groups which are inimical to the interests of ODYOKE.

3) To provide operational support, countersurveillance, and other protective services to Station personnel and operations as may be deemed necessary.

B) The above objectives are to be fulfilled through the continued exploitation of the LIMITED, LILYRIC and LICALLA basehouses, the LIENTRAP mobile unit, and the services of long-time contract agent, Raymond H. GERENDE. These objectives are in consonance with and represent partial fulfillment of the following sections of the current Related Mission Directive (RMD) as approved for Mexico City Station:

PRIORITY A

Section 2, subsection b.

PRIORITY B

Section 1, subsection a.
Section 2, subsection a.

C) Throughout the project year under review, Project LIEMPTY continued to contribute directly and significantly to the fulfillment of the Station's and Headquarters' requests and requirements for coverage of various targets falling within the framework of the above cited objectives of the RMD. Specific examples of the LIEMPTY Project's progress and contributions to the RMD will be found in Section 3., [illegible].

SECRET [redacted]

2. CHANGES

A) Administrative - As noted in the regularly submitted LIEMPTY progress reports and the previous Request for Renewal of Project LIEMPTY (Section VI, subsection A), during the past two years it had become obvious that many of the operational assignments levied on Oliver G. SCANTLING (covered by Project LIEMPTY during six months of the past project year), while completely within the realm of the WHD, were falling outside the proper scope of Project LIEMPTY; consequently, a new Project was prepared by the Station and approved by Headquarters to cover KUBARK's relationship with and the support of SCANTLING. SCANTLING was therefore removed from the aegis of Project LIEMPTY on 1 May 1965 and integrated into the new close support Project LIEVATOR.

B) Operational - As noted in the previous Request for Project Renewal, all operational activity was suspended in late September 1964 at the LIMITED basehouse because of the potential security ramifications stemming from the overt publication of a LIMITED photograph in the Warren Commission Report. The Station subsequently acquired an apartment in the immediate vicinity of the LIMERICK installation and moved the LIMITED basehouse keepers into this temporary location. After a prudent cooling-off period, all LIMITED operational activities (photographic, physical surveillance, and radio dispatching) were re-initiated from the new location in early January 1965. During the interim period, and as a result of separate correspondence with Headquarters, the former LIMITED property was sold to LIMOUSINE, who as per formal agreement with the Station, demolished the old structure and began construction of a new edifice. Included in this formal agreement with LIMOUSINE is the proviso that one floor of the new building will be reserved for the sole use of Station Mexico City. Upon completion of the new structure, the LIMITED personnel and operational activity will be securely transferred from the temporary apartment to the new, more ideally located LIMOUSINE building.

C) Finance - After a detailed review of the then-existing LIEMPTY agent salary structure, 3 selected agents (LIEMPTY-9, LIEMPTY-11, and LIEMPTY-14) were granted salary increases effective 1 February 1965. (Formal notification and the pertinent revised Memorandum of Oral Commitment were forwarded to Headquarters with HMMA-26252, dated 1 June 1965). In addition, as per the Headquarters prepared contract ammendment, Raymond H. GERENDE was granted a salary increase effective 1 July 1965. There was no change in the salaries of the eight remaining active LIEMPTY agents.

D) Personnel - LIEMPTY-26 was granted a POA on 15 October 1965 for use as a cut-out to the LIERIC basehouse. PRQ II information is being compiled and will be submitted in the near future. LIEMPTY-26 was actively used after receipt of the POA.

3. EFFECTIVENESS

Throughout the period under review, each operational component of Project LIEMPTY contributed actively to the fulfillment of the overall operational program levied on the Station by the WHD and other Headquarter's requests. Highlights of the accomplishments and achievements of each component follow:

A) LIMITED - Throughout the past project year, with the exception noted in paragraph 2, section B. above, the LIMITED installation provided daily photo coverage and physical surveillance of the main gate of the LIMERICK installation during the afternoon and early evening hours. (During the morning hours, the LIMITED basehouse keepers prepared the typewritten surveillance reports and photographic logs covering the previous day's activities). In addition, the LIMITED installation provided a fixed radio dispatch base, used regularly to support the LIMBRACE surveillance team. Because of the tight security measures instituted by the local security forces in the immediate vicinity of the LIMERICK installation, normal stakeouts by this unilateral team are precluded. However, with the support of the LIMITED radio base, which can dispatch the team from adjacent safe-areas, secure and effective surveillance coverage of this target can be provided. During the ten-month period from 1 November 1964 through 30 August 1965, the LIMITED base provided 150 rolls of 35mm operational still photographs, which provided the Station with approximately 2,970 individual frames. In addition, the LIMITED base provided bi-weekly physical surveillance summary reports.

B) LILYRIC - The LILYRIC installation also provided extensive photographic and fixed visual surveillance of the front of the LIMERICK installation throughout the period under review, during the morning and early afternoon hours, with evenings being spent in the preparation of written surveillance reports and photographic logs. During the ten-month period from 1 November 1964 through 30 August 1965, the LILYRIC basehouse provided 5,060 individual frames (226 rolls) of 35mm operational photographs. In addition, the LILYRIC basehouse keeper provided 1,060 pages of physical surveillance reports covering the daily movements of the principal LIMERICK officers.

C) LICALLA - During the above-noted ten-month period, the LICALLA installation provided photographic and physical surveillance coverage of the back of the LIMERICK installation, the garden and the patio area. This coverage produced 153 rolls of 35mm film, which produced 4,[illegible] individual photographs as well as bi-weekly physical surveillance summaries. In addition, various Headquarters specialists made night-time entries into the LICALLA basehouse for on-site clandestine surveys in support of a potential sensitive technical operation.

SUMMARY OF FIXED BASEHOUSE EFFECTIVENESS

The fixed LIEMPTY basehouses (LIMITED, LILYRIC, LICALLA) thus produced over 12,000 individual frames of operational photographs during a ten-month period within the last year. This coverage linked with the related physical surveillance reports prepared by each basehouse has proven to be a most reliable and viable tool for:

i) following the daily movements of LIMERICK personnel;
ii) providing and confirming the identities of LIMERICK staffers and their visitors (some of whom were PBRUMENers);
iii) verifying the relative rank and position as well as the specific intelligence service connection of various LIMERICK officers;
iv) provided detailed reporting on the movement patterns of selected targets of special interest; and
v) providing physical facilities for the support of various technical and surveillance team operations.

D) <u>LIMOTOR</u> - Throughout the period under review, the LIMOTOR mobile unit was heavily used and exploited by Station Mexico City. This unit provided 1,793 individual photographs of various targets of operational interest to Mexico City Station, particularly local Communist leaders and installations as well as various communist exiles now residing in Mexico City. In addition, the LIMOTOR personnel regularly serviced approximately twenty postal accommodation boxes used operationally by Mexico City, Headquarters, and other stations.

Specifically, the LIMOTOR unit:

i) provided and serviced accommodation boxes for the sensitive AMMOD operation;
ii) provided photographic/casing coverage of an embassy of interest to KUTUBE/D for use in operational planning;
iii) provided up-to-date photos of individuals and an installation linked with the Spanish Republican (loyalists) group in Mexico; and
iv) provided identifications, locations, and contacts of various local and exile communists in support of recruitment/penetration programs directed against the Partido Comunista Mexicano, the Partido Popular Socialista, and various exile communist leaders.

E) <u>OLIVER G. SCANTLING</u> - During the six-month period in which he was covered by the LIEMPTY Project (see paragraph 2, section a.) Oliver G. SCANTLING contributed heavily to the fulfillment of the RMD. Specifically, SCANTLING: Served as the alternate Station contact to LICASA-1, the singleton agent in a sensitive and productive LAURICLE operation; prepared numerous detailed casing reports three of which were in support of KUTUBE/D operational programs; conducted several pretext investigations; successfully recruited and handled an agent with access to the PBRUMEN Embassy, which resulted in two technical penetrations (LIROMANCE) of that hostile installation; made essential contributions to the AMMOD operation in the form of translations and physical leg-work; and handled various LIEMPTY agents during the absence of the regular LIEMPTY Principal Agent, Raymond H. GERENDE.

[redacted]

F) RAYMOND H. GERENDE - During the period under review, with the exception of short vacation periods, GERENDE continued in his role as the LIEMPTY Principal Agent. This assignment entailed regular meetings with the LILYRIC, LICALLA, and LIMITED basehouse keepers (or cutouts to these bases); regular contact with the operators of the LI[illegible] mobile photo unit; regular contact with the LIEMPTY photographic developing and processing base; and numerous operational tasks in support of the [illegible] operation. Specifically, this effort involved at least twelve clandestine agent or Case Officer meetings per week, the first echelon financial accountability for the expenditure of $36,000 per annum, in addition to various cover-job duties.

SUMMARY OF EFFECTIVENESS

As outlined above, each individual operational component of the LIEMPTY project contributed significantly and regularly to the fulfillment of the overall operational program levied on the Station by the RMD and other directives. Based on the fine performance and overall contributions of this project, the Station concludes that this operation is essential to the fulfillment of the RMD and should be continued during the forthcoming year.

4. PROBLEMS AND SECURITY

The only significant operational/security problems which confronted the LIEMPTY project during the period under review, were those which stemmed directly or indirectly from the overt release of the clandestine LIMITED photographs published in the Warren Commission Report. The precise damage occasioned locally by the public disclosure of this clandestinely acquired information still cannot be measured. However, time-consuming personnel moves, with the attendant loss of coverage and additional cost as well as otherwise unnecessary expenditures of Station time and effort were required by this incident. (See paragraph IV of the 1964 LIEMPTY Project Renewal Request for details). Other than the above affair, there have been no operational, administrative, or personnel problems which the Station could not readily and securely resolve.

5. LIAISON AND INTERAGENCY COORDINATION

Not applicable to Project LIEMPTY

6. PLANS

A) As further implementation of a program initiated during the latter portion of the past project year, Mexico City Station will continue to give increased emphasis to improving the quality of the photographic product from the LIEMPTY basehouses. While no concomitant reduction in the quantity of photographs is anticipated, the Project Case Officer, with the assistance of the local KURIOT representative will continue to emphasis the quality rather than the number of photographs. An ancillary objective of this program is to replace a significant portion of the equipment now used in the LIEMPTY developing and processing lab. Much of this equipment is over eight years old

[redacted]

and no longer lends itself to the production of high-quality negatives or photographic prints. The total cost of this equipment replacement program is not expected to exceed $300 and sufficient funds have been included in the cost section of this renewal request.

B) Other than noted above, Mexico City Station plans no other significant operational, administrative or personnel changes, since it is generally felt that this project is now operating at its optimum size and in a completely satisfactory manner. After 1 January 1966 the Station will review the existing LIEMPTY salary schedule and consider possible raises, again on a selective basis.

7. <u>COSTS</u>

A) Past Project Year - Station records indicated that Project LIEMPTY expended $30,549.99 during the ten-month period from 1 December 1964 through 30 September 1965. Bi-weekly accountings with pertinent receipts and/or certifications were submitted by GIRENDE and SCANTLING to the Station finance officer via the project Case Officer for all LIEMPTY Project expenditures. It is estimated that approximately fifteen hours of Case Officer and five hours of analyst time is required each week to fulfill the operational, administrative and analytical requirements of this project.

B) Ensuing Project Year - It is requested that Project LIEMPTY be approved in the amount of $41,500 for the period 1 December 1965 through 30 November 1966. (The project was previously programmed for $30,000;

Of this amount, $25,520 should be allotted for FY 1966 and $15,980 for FY 1967. A detailed breakdown of project expenditures by category and by fiscal year follows:

SECRET [redacted]

SALARIES (INCLUDING CHRISTMAS BONUS)

		FY 66	FY 67
Raymond H. GERENDE (F/A)	$7,000		
LIEMPTY-4 (photo lab)	2,600		
LIEMPTY-5 (photo lab assistant)	1,000		
LIEMPTY-6 (LIMITED basehouse-keeper)	3,900		
LIEMPTY-9 (LICALLA basehouse keeper)	4,000		
LIEMPTY-10 (LIENTRAP operator)	4,400		
LIEMPTY-11 (LIENTRAP operator)	2,600		
LIEMPTY-16 (Cut-out to LILYRIC)	2,200		
LIEMPTY-13 (LILYRIC basehouse keeper)	2,200		
	$29,900	$18,400	$11,500

VEHICLE MAINTENANCE

MV 2606 (GERENDE)			
MV 2279 (LIENTRAP unit)			
	$2,000	$1,190	$810

REAL ESTATE (RENT, UTILITIES)

LIMITED (to include moving costs)	3,000		
LILYRIC	1,800		
LICALLA	1,800		
PHOTO Lab	1,000		
	$7,600	$4,430	$3,170

EQUIPMENT

Maintenance and replacement of photographic equipment	$1,000	$750	$250

OPERATIONAL EXPENSES

Purchase of film; rental of PO accommodation boxes; rental of vehicles; contingency fund	$1,000	$750	$250
TOTAL	$41,500	$25,520	$15,980

SECRET [redacted]

SECRET [redacted]

C) As in the past, Raymond H. GERENDE will submit bi-weekly accountings for all project expenditures with appropriate receipts and certifications. There are no requirements for foreign currency beyond the Station's capability to provide.

8. EMERGENCY CONDITIONS

A) In the event of civil disorders or the evolution of complete or enforced neutrality on the part of the host government, it is now believed that regular operational contact could be maintained with the active LIENTTY agents via Raymond H. GERENDE or in his absence, Oliver G. SCANTLING.

B) In the most unlikely event of the establishment of a regime hostile to ODYOKE, limited contact could probably be maintained with the active project agents through GERENDE or SCANTLING. However, under the conditions described above, it is doubtful whether this project would be able to operate against more than one or two selected targets.

C) Emergency communications plans for Oliver G. SCANTLING and Raymond H. GERENDE are on file in the Station and at Headquarters (see HMMA-15982 and HMMA-15981, of 25 November 19[illegible]). In addition, in late 19[illegible], a review was held with all active agents of their recontact plans and verbal recognition signals.

SECRET [redacted]

E1121 HSMMe-20052

50-6-71/1

14-00000

PAGE 1 OF 2

INDEX: ☐ YES ☐ NO

CLASSIFY TO FILE NO.

X-REF TO FILE NO.

FILE RID ☐ RET. TO BRANCH ☐

DESTROY ☐ SIG.

CLASSIFIED MESSAGE TOTAL COPIES 20

SECRET

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PERSON/UNIT NOTIFIED Cable Desk

FROM: MEXICO CITY

ACTION: WH/C 5

☒ RID COPY

ADVANCE COPY ☐ ISSUED ☒ SLOTTED ☐ TUBED

UNIT WH/C TIME 1220 BY

INFO: FILE, VR, ADDP, C/WH 6, C/CA 2, C/CI, C/FE 2

S E C R E T 012240Z

PRIORITY DIR CITE MEXI 4616

[redacted] TYPIC AMROD LIEMPTY

1 Sep 65 IN 43837

1. LIEMPTY-10 RETRIEVED TWO LETTERS NONALCO BOX 25 AUG 65 WHICH GERENDE PASSED STA NEXT DAY. BOTH LETTERS ADDRESSED IN NAME OF BOX HOLDER (AN ALIAS OF L-10) AND CONTAINED RANDOM NEWSPAPER CLIPPINGS. G AND STA INITIALLY FELT THESE PROBABLY SCANTLING TEST LTRS AND HELD SAME PENDING S' RETURN FROM GUADALAJARA 31 AUG.

2. SCANTLING EXAMINED LTRS 1 SEPT AND STATED THEY DEFINITELY NOT RPT NOT HIS TEST LTRS. FURTHER EXAMINATION REVEALS ENVELOPES TYPED ON SAME MACHINGE AND ONE BEARS NO POSTMARK OR STAMPS ONLY NOTATION LIBRE DE PORTE. STA ASSUMES THESE LTRS PROBABLY SENT BY LOCAL SECURITY AUTHORITIES AND THAT BOX COMPROMISED. DOUBT AMRIFT-1 COULD ARRANGE FOR INSERTION OF LIBRE DE PORTE LTR.. L-10 AND G SUSPENDING ALL LIEMPTY ACCOMMODATION ADDRESS SERVICINGS UNTIL FURTHER NOTICE.

3. ADVISE.

S E C R E T

RECORDS OFFICER STAMP — SECRET

The following action is authorized: de-Kazik

Signed: [signature]

R.O. #030 - Unit WH/C/R

Note: If destruction, cite reasons and coordinate if appropriate.

50-6-74/1

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING ACTION: NIR
MARKED FOR INDEXING
NO INDEXING REQUIRED
ONLY QUALIFIED DESK CAN JUDGE INDEXING
MICROFILM

TO: Chief of Station, Mexico City

INFO:

FROM: Chief, WH Division

SUBJECT: LIEMPTY Project Expiration

ACTION REQUIRED - REFERENCES

REFERENCE: HMMW-13,350

The LIEMPTY Project expires on 30 November 1965. Please forward the renewal request so that it reaches Headquarters by 1 November.

Ernest A. LUSBY

Distribution:
0 & 1 - COS, Mexico City

LIEMPTY
50-6-74/1
02 SEP 1965

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMMW-13,941 OS 0024	1 September 65
	CLASSIFICATION: SECRET	HQS FILE NUMBER: 50-6-78/1

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT
WH/1/Bustos-Videla:mcp			4506

RI
Chrono

2 - WH/1

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME
	FEB 8 11 15 AM '03	

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
C/WHD		William V. Broe

FORM 53 USE PREVIOUS EDITION (40)

DISPATCH

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XX NO INDEXING REQUIRED

ONLY QUALIFIED DESK CAN JUDGE INDEXING

MICROFILM

Chief of Station, Mexico City

Chief, WH Division

SUBJECT: LIEMPTY Project Renewal

ACTION REQUIRED - REFERENCES

Reference: HMMA 24650

1. The LIEMPTY Project Renewal request forwarded in reference, was approved on 29 January 1965 for the period 1 December 1964 through 30 November 1965 for a total of $45,300; $27,675 for FY 1965 and $17,625 for FY 1966.

2. At the time of approval, Assistant KUDOVE stated he expects this project to live within the sum authorized for the year, and that there will be no amendment for additional funds.

3. As you were informed in HMMW 13282 in the dispatch on the LIEMBRACE Project Renewal, KUTUBE is interested in the problem of hostile monitoring of any radio communications from LIMITED. You should remain alert to this problem, and inform us if Headquarters can be of any assistance in helping you maintain communications security.

4. You are reminded that the LIEMPTY Project, as approved, only covers the salary for Oliver G. SCANTLING through 31 May 1965. It is suggested that a separate project be written to cover SCANTLING if his new duties do not fall entirely under any other approved project.

John N. CORNISH

Distribution:
Orig & 1 - COS, Mexico City

50-6-74/1

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMMW 13350	8 FEB 1965
	CLASSIFICATION	HQS FILE NUMBER
	SECRET	50-6-74/1

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT
WH/1	CBustos-Videla:jah		4507

RI
Chrono

ROUTING	INITIALS
RID/AN	
RID/MIS	
~~RID~~	
~~RID/~~	

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME
WH/PO/A		
	FEB 3	

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
AC/WHD	3 Feb	RAFORD W. HERBERT

FORM 53 USE PREVIOUS EDITION (40)

DISPATCH

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DISPATCH

CLASSIFICATION: SECRET

PROCESSING ACTION
- MARKED FOR INDEXING
- XX NO INDEXING REQUIRED
- ONLY QUALIFIED DESK CAN JUDGE INDEXING
- MICROFILM

TO: Chief, WH Division

INFO.

FROM: Chief of Station, Mexico City

SUBJECT: Removal of Oliver G. SCANTLING from Project LIEMPTY

ACTION REQUIRED - REFERENCES

Reference: HMMA-24650 dated 29 October 1964

1. As per section VI, subsection E, of the attachment to Reference (the Request for the Renewal of Project LIEMPTY), Station Mexico City is at present preparing a formal Project Outline to cover KUBARK's relationship with and the operational activities of Oliver G. SCANTLING. This activity involves the conduct and support of various operations targetted primarily against the local Soviet Bloc and PBRUMEN installations.

2. It is requested that Headquarters assign a cryptonym and a four-part file number in the 50-6 series for this proposed project.

for Willard C. CURTIS

Distribution:
2 - C/WHD

CS COPY

50-6-74/1

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMMA-25254	27 January 1965
	CLASSIFICATION: SECRET	HQS FILE NUMBER: 50-6-74/1

SECRET

STAFF REVIEW OF FI/CI PROJECT

RETURN TO: DDP/PG/FI-CI Projects 3 C 43

PROJECT	FUNDS
LIEMPTY	$45,300

CASE OFFICER	EXTENSION	ROOM
Charlotte Bustos-Videla	4506	3 B 2607

DIVISION	STATION	TARGET AREA
WH	Mexico City	Mexico

RECEIVED DDP PG	29 Dec 64
FORWARDED	31 Dec 64
DEADLINE	14 Jan 65
RETURNED	

ACTION		APPROVAL LEVEL		REVIEWING COMPONENTS							
	APPROVAL		DIVISION OR STAFF	X	FI OPS		X	CI/OPS	X	CCS	OTHER
X	RENEWAL	X	DDP	X	INT						
	AMENDMENT		DCI		D						
	EXTENSION										
	TERMINATION										

ROUTING OFFICE COMMENTS

COMMENT FOR INTERNAL STAFF USE (*Not to go forward to the Division*)

COMMENTS AND RECOMMENDATIONS (*To go forward to the Division*)

The CI Staff concurs in the renewal of this extremely valuable CI/CE operational support project.

CC SENT DIV.

DATE 25 JAN 1965

DATE	REVIEWING OFFICER
January 1965	[illegible signature]

FORM 7.63 526 USE PREVIOUS EDITION SECRET (13-20-40)

14-00000

SECRET

17 December 1964

MEMORANDUM FOR: Chief, EXO

SUBJECT : Project LIEMPTY

Renewal of this project is recommended. This operation continues to carry out the same type of activity it has engaged in for a number of years and its product continues to be important to our efforts against the Soviets and Communist Party in Mexico. The Station should carefully select the new operational assignment of Oliver G. SCANTLING so as to make best use of this long-time asset's considerable clandestine experience.

John Horton
C/WH/PO/A

SECRET

14-00000

MESSAGE FORM

ORIG: C. Bustos-V
UNIT: WH/1
EXT: X4506
DATE: 4 December 1964

☐ INDEX
☐ NO INDEX
☐ FILE IN CS FILE NO.

S E C R E T

ROUTINE

TO: Mexico City
FROM: DIRECTOR
CONF: WH 8
INFO: OL 4, BPA, PGZ, VR, FILE

TO MEXI INFO CITE DIR 68601

LIEMPTY

REFERENCE: MEXI 1799 (IN 35305)*

1. WE DO NOT PLAN MEET LIMOUSINE. PLS PROVIDE INFORMATION REQUESTED DIR 68139** AFTER NEGOTIATING WITH HIM AND BEFORE CONCLUDING AGREEMENT.

2. ANTENNA ROTATOR REQUESTED IS BEING POUCHED WEEK 7 DECEMBER.

END OF MESSAGE

LIEMPTY

OL/RECD/Edward Denison (phone)

WH/Log/McMahon (phone)

WH/PO/A

WH Comment:
*LIMOUSINE in States this week and probably could be reached if Hdqs wished discuss sale of LIEMPTY property in person. Station indicates LIEMPTY would be sold at land value only as house value not pertinent since house to be razed. Asked whether Antenna Rotator would arrive Station by Christmas.
** Headquarters approves in principle selling LIMITED property to LIMOUSINE. Advise complete sales price for hdqs concurrence prior to concluding agreement with LIMOUSINE. Also attempt determine at least approximate rental cost for LIMITED apartment and advise.

RAFORD W. HERBERT
AC/WHD

C. J. [illegible]
Chief, WH/1

RELEASING OFFICER — COORDINATING OFFICERS — S E C R E T — GROUP 1 Excluded from automatic downgrading and declassification — AUTHENTICATING OFFICER

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14-00000

CLASSIFIED MESSAGE

31 SECRET

REPRODUCTION PROHIBITED

FROM Mexico City

PERSON/UNIT NOTIFIED

ACTION WH 8

ADVANCE COPY ☐ ISSUED ☐ SLOTTED ☐ TUBED TO: UNIT TIME BY

INFO VR, FILE, OL 4, BPA, PG 2

SECRET 031833Z

DIR CITE MEXI 1799

3 DEC 64 IN 35305

IMMEDIATE ACTION

LIEMPTY LIMITED LIMOUSINE

REFS A MEXI 1762 (IN 31737)

B DIR 68139 *

* HQS APPROVES IN PRINCIPLE SELLING LIMITED PROPERTY TO LIMOUSINE.

1. LIMOUSINE IN PBPRIME HIS WEEK. PROBABLY COULD BE REACHED THROUGH MATHEW P. DINGHLEY IF HQ DESIRES PERSONAL DISCUSSION. AS STATED REF A, FIRST FIGURES GIVEN REPRESENT LAND VALUE WHICH ONLY ONE WORTH CONSIDERING FOR PURPOSE THIS SALE. HOUSE VALUE NOT PERTINENT SINCE HOUSE TO BE RAZED. OWING AGE OF HOUSE, DOUBTFUL SALE OF MATERIALS WILL EVEN COVER DEMOLITION COSTS. APARTMENT RENTAL NOT AVAILABLE UNTIL LIMOUSINE RETURN AND DECISION MADE AS TO SIZE AND CONFIGURATION OF APT.

2. IF ANTENNA ROTATOR REQUESTED IN HMMA-24630 NOT ALREADY OBTAINED, AND AN OTHER SERVICEABLE ROTATOR AVAILABLE FROM SURPLUS, PLEASE SUBSTITUTE. REQUEST ADVISE IF CAN BE SHIPPED TO BE HERE BEFORE CHRISTMAS.

SECRET

SECRET

LIEMPTY

14-00000

MESSAGE FORM

ORIG.: C. Bustos Videla:mad
UNIT: WH/1
EXT: 4507
DATE: 1 December 1964

☐ INDEX
☐ NO INDEX
☐ FILE IN CS FILE NO. 50 6 74/1

SECRET

ROUTING
1 | 5
2 | 6
3 | 7
4 | 8

TO: MEXICO CITY

FROM: DIRECTOR

CONF. WH 8 INFO OL 4, BPA, PG 2, VR, FILE

30 DEC 64 03 z
ROUTINE
SIG CEN

TO MEXI INFO. CITE DIR 68139

LIMITY LIMITED

REF: MEXI 1762 (IN 31737)*

HDQS APPROVES IN PRINCIPLE SELLING LIMITED PROPERTY TO LIMOUSINE. ASSUME THIS IS AT TOTAL TAX VALUE INCLUDING LAND AND HOUSE. PER PARA TWO REF, WE APPROVE HIS DEFERRING PAYMENT OF LAND VALUE FOR THREE YEARS. ASSUME HE WILL PAY HOUSE VALUE IMMEDIATELY. ADVISE. COMPLETE SALES PRICE FOR HDQS CONCURRENCE PRIOR TO CONCLUDING AGREEMENT WITH LIMOUSINE. ALSO ATTEMPT TO DETERMINE AT LEAST APPROXIMATE RENTAL COST FOR LIMITED APARTMENT AND ADVISE.

END OF MESSAGE

WE/BF Carter
C/WH/SS Brooks
WH/LOG McMahon
WH/FI
OL/RECT Denison

WH COMMENT: *According to Office of Logistics information the original purchase price in 1955 was $12,000 and the Station made $3,500 of repairs and renovation.

DESMOND FITZGERALD
C/WHD

J. KAUFMAN
C/WH/1

RELEASING OFFICER

COORDINATING OFFICERS

SECRET

GROUP 1
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AUTHENTICATING OFFICER

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CLASSIFIED MESSAGE

TOTAL COPIES 12 RI COPY DUMMY

REPRODUCTION PROHIBITED

SECRET

FROM	Mexico City
PERSON/UNIT NOTIFIED	
ACTION	WH 8
ADVANCE COPY	ISSUED SLOTTED TUBED
INFO	VR, FILE, PG 2

S E C R E T 272340Z

DIR CITE MEXI 1762

LIEMPTY

28 Nov 64 IN 31737

REF DIR 65696 (IN 96996)
MEXI 1307, 20 OCT 64

1. STATION HAS TWO BANK EVALUATIONS OF PROPERTY, ONE BY BANCO NACIONAL DE MEXICO OBTAINED BY SCANTLING IN PSEUDO AND OTHER BY BANCO AZTECA AT LIMOUSINE BEHEST. RESPECTIVE EVALUATIONS ARE: LOT 185,266 AND 180,600 PESOS; TOTAL TAX VALUE 255,575 AND 249,242 PESOS WHICH OF COURSE INCLUDES PRESENT HOUSE. DISCREPANCIES BETWEEN TWO APPRAISALS NOT SUFFICIENT WORRY ABOUT SINCE FOR BUILDING PURPOSES ONLY LAND VALUE PERTINENT, AND DIFFERENCE HERE LESS THAN 5000 PESOS, SO BELIEVE CAN DISREGARD OTHER FIGURES.

2. LIMOUSINE HAS ALSO HAD PLANS MADE FOR 4 STORY BUILDING ON PROPERTY, GROUND FLOOR COMMERCIAL AND THREE FLOORS OF APTS, ONE OF WHICH WOULD GUARANTEE RESERVE FOR LIMITED AND ALTER AS STATION WISHES. SMALLER BUILDING NOT DEEMED WORTHWHILE INVESTMENT. COST STUDY SHOWS BUILDING COULD PROBABLY BE PUT UP FOR ABOUT 535,900 PESOS, OF WHICH LIMOUSINE COULD BORROW ABOUT 433,000 FROM BANK. JUDGES BUILDING COULD BE FINISHED WITHIN 5 MONTHS OF BEGINNING DEMOLITION PRESENT STRUCTURE. LIMOUSINE WOULD PUT UP

Liempty / Prop

SECRET

FROM OWN FUNDS WHATEVER NEEDED TO SUPPLEMENT BANK LOAN. IN ORDER REGAIN BULK OF OWN INVESTMENT, WOULD LIKE DEFER PAYMENT TO US OF LAND VALUE FOR 3 YEARS. MEANWHILE ALTHO WILL REQUIRE ANOTHER APPRAISAL FROM BANK MAKING LOAN, THIS WILL PROBABLY NOT DIFFER MUCH. FOR PURPOSES GENERAL AGREEMENT BELIEVE AVERAGE OF ABOVE TWO APPRAISAL FIGURES FOR LOT CAN BE TAKEN FOR PLANNING PURPOSES.

3. LIMOUSINE NOT YET AWARE OF INDEPENDENT EVAL, BUT WILL INFORM HIM IN ORDER ARRIVE AT FIRM FIGURE FOR NEGOTIATION IF HQ APPROVES IN PRINCIPLE.

4. NOTE THIS SOLUTION IDEAL FOR STATION, SINCE RETURNS PROFIT OF ALMOST 5000 DOLLARS ON ORIGINAL INVESTMENT AND RELIEVES KUBARK OF ONUS OWNING AND ADMINISTERING PROPERTY AS WELL AS GIVING LIMOUSINE FAVORABLE CHANCE PROFIT WITHOUT ANY COST TO KUBARK.

5. WHILE RENT OF LIMITED APARTMENT NOT SET, KUBARK CAN COUNT ON GETTING FAIR SHAKE. DO NOT BELIEVE RENT FIGURE SIGNIFICANT FACTOR IN DECISION.

SECRET

ORIG: Bustos-Videla:jah
UNIT: WH/1
EXT: 4506
DATE: 27 Nov 1964

MESSAGE FORM 12
24 SECRET

☐ INDEX
☐ NO INDEX
☒ FILE IN CS FILE NO. 50-6-74/1

ROUTING

1		5	
2		6	
3		7	
4		8	

TO: Mexico City
FROM: DIRECTOR
CONF: WH-8
INFO: PG-2, VR, File CP

27 Nov 64 20 33z
PRIORITY
SIG CEN

TO | INFO | CITE DIR

PRTY MEXI
LIEMPTY

SINCE PROJECT MUST BE SUBMITTED BY 30 NOVEMBER REQUEST 67069

PRIORITY REPLY TO DIR 65696, 20 NOVEMBER 1964.

END OF MESSAGE

WH Comment: DIR 65606 of 20 November 1964 requested Station to XXXXXXXX clarify question of whether the LIMITED basehouse was to be razed and rebuilt or moved. Costs must be included in project renewal.

DESMOND FITZGERALD
C/WHD
RELEASING OFFICER

W. J. KAUFMAN
C/WH/1
AUTHENTICATING OFFICER

COORDINATING OFFICERS

SECRET

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MESSAGE FORM

SECRET

ROUTING

ORIG: C. Bustos-Videla
UNIT: WH/1
EXT: 4506
DATE: 20 November 1964

☐ INDEX
☐ NO INDEX
☐ FILE IN CS FILE NO. 50-6-74/1

TO: Mexico City
FROM: DIRECTOR
CONF: WH 8 INFO: VR, FILE, PG 2, CI/OA

20 Nov 64 21 45z
ROUTINE
SIG CEN

TO MEXI INFO CITE DIR 85696

LIEMPTY

REF: DIR 58997*

SINCE ANY MONEY REQUIRED FOR CONSTRUCTION COSTS LIMITED BASEHOUSE SHOULD BE INCLUDED IN PROJ RENEWAL, AND IN VIEW COMMENTS PARA SIX A OF HMMA 24650 LIEMPTY PROJ RENEWAL REQUEST, PLEASE ADVISE WHETHER YOU PLAN ANY ACTION ON REF.

END OF MESSAGE

WH Comment: *Gave hdqs ideas on advisability of razing and reconstructing building containing LIMITED basehouse.

Liempty Ops

DESMOND FITZGERALD
C/WHD

W. J. KAUFMAN
C/WH/1

RELEASING OFFICER

COORDINATING OFFICERS

SECRET

GROUP 1
Excluded from automatic downgrading and declassification

AUTHENTICATING OFFICER

Copy No.

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING		
PRO-POSED	ACTION	ACTION PUSHED
	MARKED FOR INDEXING	
X	NO INDEXING REQUIRED	
	ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
	ABSTRACT	
	MICROFILM	

TO : Chief of Station, Mexico City

INFO :

FROM : Chief, WH Division

SUBJECT : LIEMPTY Project Renewal

ACTION REQUIRED REFERENCES : FYI

: HMMW-10391, 31 Jan 62

The LIEMPTY project will expire on 30 November 1962. The Station is requested to forward its renewal request as soon as possible.

END OF DISPATCH

Distribution:
O&1 - COS, Mexico City

50-6-74/1

DATE TYPED	DATE DISPATCHED
27 Sep 62	4 - OCT 1962

CROSS REFERENCE TO

DISPATCH SYMBOL AND NUMBER: HMMW-10951

HEADQUARTERS FILE NUMBER: 50-6-74 /1

CLASSIFICATION: SECRET

1 - RI
1 - Chrono

ROUTING	INITIAL
RID/AN	f
RID/MIS	JJM
~~RID/FS~~	
~~RID/FI~~	
WH/3 Mexi	
~~DESTROY~~	

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT
WH/3/Mexico - Lee G. Norris:js			5940

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
C/WHD	28 SEP 1962	J. C. King

DISPATCH

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING

PROJ POSTED	ACTION	ACCOM PLISHED
	MARKED FOR INDEXING	
X	NO INDEXING REQUIRED	
	ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
	ABSTRACT	
	MICROFILM	

TO: Chief of Station, Mexico City

INFO:

FROM: Chief, WH Division

SUBJECT: LIEMPTY Project Renewal

ACTION REQUIRED REFERENCES

REFERENCE: HMMA 17999, 31 October 1961

1. The LIEMPTY Project was renewed on 12 January 1962 for a total of $49,500; $29,500 for FY 1962 and $20,000 for FY 1963. The renewal request submitted in HMMA 17999 was approved without change.

2. Attached for the Station's information and records is a copy of the memorandum prepared at Headquarters forwarding the Station's request for renewal. Please note how Headquarters broke down the cost structure into fiscal years. Next time the project is submitted for renewal, it is requested that this breakdown be supplied by the Station.

END OF DISPATCH

Distribution:
2 Mexico City, w/att.

DATE TYPED: 28 Jan 1962

DATE DISPATCHED: 31 JAN 1962

CROSS REFERENCE TO

DISPATCH SYMBOL AND NUMBER: HMMW 10391

HEADQUARTERS FILE NUMBER: 50-6-74/1

CLASSIFICATION: SECRET

RI, w/o att.
WH/Registry, w/o att.
WH/3/Mexico/chrono, w/o att.

RI/FI

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT
WH/3/Mexico	C/Bustos	rmr C/WH/3/Mexico	2555

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
C/WHD		J. C. King 10391

FORM 53 USE PREVIOUS EDITION REPLACES FORM 610b WHICH MAY BE USED (40)

DISPATCH

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING

ACTION	
MARKED FOR INDEXING	
NO INDEXING REQUIRED	X
ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
ABSTRACT	
MICROFILM	

TO: Chief of Station, Mexico City

INFO:

FROM: Chief, WH Division

SUBJECT: LIEMPTY/Project Renewal

ACTION REQUIRED REFERENCES

ACTION REQUIRED: See below

REFERENCE : HMMW-10074, 8 September 1961

The LIEMPTY Project will expire on 30 November 1961. The Station is requested to forward its request for renewal as soon as possible.

END OF DISPATCH

Distribution:
2 - Mexico City

1 - RI
1 - WH/Registry
1 - WH/3/Mex/Chrono

RI/AN

RI/TY

RI/FI

DATE TYPED: 2 Nov 1961

DATE DISPATCHED: 3 NOV 1961

CROSS REFERENCE TO:

DISPATCH SYMBOL AND NUMBER: HMMW-10209

HEADQUARTERS FILE NUMBER: 50-6-74/1

CLASSIFICATION: SECRET

ORIGINATING

OFFICE	OFFICER	TYPIST		EXT
WH/3/Mexico	C. T. Furney	baf	C/WH/3/Mexico	2555

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE	
C/WH	11-2-61	J. C. King	10209

USE PREVIOUS EDITION. REPLACES FORM 51-28 WHICH MAY BE USED (40)

DISPATCH

14-00000

DISPATCH	CLASSIFICATION SECRET/[redacted]	DISPATCH SYMBOL AND NO. HMMA-17999 [redacted]-1930
TO : Chief, WH Division INFO		HEADQUARTERS FILE NO. 50-6-74/1
FROM : Chief of Station, Mexico City		DATE 31 October 1961
SUBJECT - LIEMPTY Project Renewal		RE: "43 J" - (CHECK "X" ONE) MARKED FOR INDEXING X NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
ACTION REQUIRED - Renewal of Project.		

REFERENCE(S)

Attached are the requisite number of copies of the Request for Renewal of Project LIEMPTY.

Willard C. Curtis
Willard C. CURTIS

30 October 1961

Attachment:
As stated above.
Even pages herewith.
Odd pages under separate cover.

Distribution:
3 - WHD (with five copies of attachment)
2 - Files (with one copy of attachment)

RECORDS OFFICER STAMP
The following action is authorized: Ce Kapok
Signed: Elena Palmer
R.O. #230 - Unit WH/4/R
If destruction, cite reasons and coordinate if appropriate.

CS COPY

50-6-74/1

FORM 10-57 53	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE	CLASSIFICATION SECRET/[redacted]	CONTINUED	PAGE NO.

14-00000

SECRET
(When Filled In)

PROJECT ACTION

PROJECT CRYPTONYM: LIEMPTY

TYPE OF ACTION			
	NEW PROJECT APPROVAL	DIVISION: WH	
	AMENDMENT NO.	FIELD STATION: Mexico City	
X	RENEWAL FY 1962	BRANCH: 3	DESK: Mexico
	EXTENSION	CASE OFFICER: J. G. Heyn	
	TERMINATION	ROOM NO.: 1013 / BUILDING: Barton Hall	EXTENSION: 2555/3162

X FI/CI   CA

CONCURRENCES OF DIVISION

ORGANIZATIONAL ELEMENT	TYPED NAME (And signature)	DATE	COPY NO.	MEMORANDUM ATTACHED YES	NO	DATE
C/WH/3/Mexico	John G. Heyn (signed) John G. Heyn					
C/WH/3	Ned P. Holman (signed) Ned P. Holman	2 NOV 1961				
WH/B&F	Robert D. Carter (signed) Robert D. Carter	22 NOV 1961				
WH/PO/A	Clarke W. Simmons (signed)	4 Dec 61				
C/WH	J. C. King by (signed) Jacob D. Esterline	12-5-61				

CONCURRENCES OF OTHER COMPONENTS

APPROVAL

PERIOD FROM	TO	TOTAL AMOUNT	FY	AMOUNT
1 December 1961	30 November 1962	$ 49,500	1962	$ 29,500
			1963	$ 20,000

APPROVING AUTHORITY	SIGNATURE	DATE
DDP/PG/FI/Proj		

FORM 6-60 848 OBSOLETE PREVIOUS EDITIONS.   SECRET   50-6-74/1   (5)

DD/P 2-0234

SECRET

MEMORANDUM FOR: Chief of Operations, DD/P

SUBJECT : LIEMPTY (Renewal)

WH - Mexico City

1. The attached project, originating in WH Division, is presented for renewal for the period 1 December 1961 through 30 November 1962. This project provides for physical and photographic surveillance operations in support of Mexico City Station operations, particularly those directed against Soviet personnel and installations.

2. Authority is requested to obligate $48,500 from the DD/P-WH Division budget: $23,500 in fiscal year 1962, and $25,000 in fiscal year 1963 subject to the availability of funds. This estimate includes $38,500 for salaries of three contract agents and eleven indigenous agents; $3,500 for operational expenses, including QP vehicle operation and maintenance, new safehouse procurement, post office boxes, purchase of information, and rental of vehicles; $1,000 for repair, maintenance, and replacement of photographic equipment; and $5,500 for maintenance of three safehouses.

3. The attached request for renewal discusses project activities in the past period. Contract Agent Oliver G. SCANTLING (p), serving as an investigator, has continued to follow-up on leads developed from other operations; has been the primary source of information on residences of Soviet Embassy personnel; has provided investigative information on several cases of CI interest; and has trained surveillance assets in Monterrey. He also handled the LIMICK surveillance team during the time Contract Agent Simon [illegible]. CLACKETT (p) was absent from Mexico. The project segment under the direction of Contract Agent Raymond H. [illegible]RENDE (p) continued to collect operational information on the Soviet Embassy through photographic surveillance; and to provide operational support

SECRET

50-6-74/1

14-00000

SECRET

to the Station in the form of rental of safe-quarters, counter-surveillance, and procuring and servicing letter drops. The Division feels that both aspects of the project are worthwhile to the Station's activities. It considers that the project is now operating at optimum size and does not plan to expand. In the coming period efforts will be made to refine and better use the existing organizational arrangements.

4. Appropriate Special Staff elements recommend renewal of this project.

5. I recommend renewal of Project LIEMPTY as presented.

S. M. HINES
Chief, DDP/PG

Approved: ______________________ COP-DD/P   12 JAN 1962 Date

Attachments:
Project Outline LIEMPTY
FI Memorandum

Staff Coordination:
For FI Staff -s/J. Baine
For CI Staff -s/F. Hughes
For CCG -s/J. Southard

SECRET

50-6-94/1

14-00000

MEMORANDUM FOR: Chief of Operations, DD/P

THROUGH: DDP/PG

SUBJECT: Project LIEMPTY

Foreign Intelligence Staff recommends approval of the renewal of Project LIEMPTY.

fr W. LLOYD GEORGE
Chief
Foreign Intelligence

Attachment
Project

50-6-74/1

21 November 1961

LIEMPTY Project Renewal Request

1. It is requested that the LIEMPTY Project be renewed for the period 1 December 1962 through 30 November 1963 for a total of $49,500; $29,500 for Fiscal Year 1962 and $20,000 for Fiscal Year 1963. These amounts can be broken down as follows:

	FY 1962	FY 1963
Salaries	24,000	15,500
Transportation	1,100	900
Operational Expenses	3,900	3,100
Operational Equipment	500	500
Totals	29,500	20,000

2. It is not anticipated that any training will be required during the next project year.

3. Emergency recontact instructions for Raymond H. GERENDE and Oliver G. SCANTLING are on file at Headquarters.

4. This project is primarily a support asset and does not provide positive intelligence.

5. WH Division strongly recommends renewal of this project which covers some of the most valuable investigative and support assets available to Mexico City Station.

50-6-74/1

SECRET/~~KAPOK~~

REVIEW OF PROJECT LIEMPTY

(For the Purpose of Project Renewal)

COVER SHEET

CRYPTONYM LIEMPTY

FIELD CASE OFFICER [signature]
Quinton N. OUSLER

STATION Mexico City

CHIEF OF STATION [signature] Willard C. Curtis
Willard C. CURTIS

The attached project action is presented for approval for the period 1 December 1961 through 30 November 1962.

SECRET/~~KAPOK~~

CS COPY

Review of Project LIEMPTY

(For the Purpose of Project Renewal)

I. CURRENT OBJECTIVES AND PRODUCTION

A. Oliver G. SCANTLING Segment (discussed in relation to project objectives):

1. "To collect operational information pertaining to LIMERICK personnel and physical facilities." SCANTLING has continued (See the last two Project Reviews forwarded as attachments to HMMA-14093, 13 November 1959, and HMMA-15979, 18 November 1960) to provide worthwhile information pertaining to this objective.

a. During the past year SCANTLING has continued to be used to follow up leads produced by LIENVOY. For example, operational information recently indicated that the LIMERICK target was using the services of a Mexico City firm to repair safes. Through discreet investigation SCANTLING was able to identify the firm, its location and the name of the owner in the event that we later wished to make an approach to him or to exploit this information in another manner.

b. SCANTLING is still the Station's primary source for keeping current records on the residences of the many LIMERICK personnel in Mexico City. This is accomplished in several ways; the most important being SCANTLING's follow up of all LIENVOY leads which indicate the LIMERICK people are interested in renting a given piece of property. (See previous project renewal request for additional details).

2. "To collect operational information pertaining to other targets of opportunity, foreign official installations and personnel of intelligence interest operating in Mexico." SCANTLING is very useful for collecting information on other Station targets:

a. On the basis of a request to the Station from the ODACID Chief, SCANTLING was sent to Puebla to be an eyewitness to the 4 June 1961 Catholic inspired anti-CASTRO demonstrations. Not only did SCANTLING obtain the desired information, and samples of many of the leaflets used, but he prepared his report for the Station in time for the COS to give the ODACID Chief a briefing at 1000 hrs., 5 June 1961. SCANTLING does an excellent job on this type of assignment due principally to his ability to observe and report objectively.

b. SCANTLING was instrumental in establishing that Fernando LLANES Cavero and his wife were living at a local Mexico City address. This case has been of considerable counterespionage interest to Headquarters.

c. SCANTLING has continued his contributions to the Paul Frederick KIRSCHHOFF case by periodic interviews with the subject's neighbors and associates.

3. "To exploit operational leads through recruitments, debriefings, and surveillances." SCANTLING has contributed to this objective both directly and indirectly as will be noted by the examples listed below:

a. SCANTLING devoted a lot of time to the surveillance and attempted recruitment of Abel ARTEAGA, a Mexican national employed at the Cuban Embassy. SCANTLING talked with ARTEAGA several times and undoubtedly was primarily responsible for the later success of the recruitment made by another Station agent.

b. Some additional time was devoted to the Cesar GONZALEZ Sanchez case in February 1961 when SCANTLING determined that GONZALEZ was still in Mexico City. See the last renewal for additional details on this case.

c. In connection with the above objective SCANTLING has performed numerous pretext and neighborhood investigations for the Station. SCANTLING also does most of the local investigations requested by ODACID and other ODYOKE components.

d. SCANTLING spent six weeks during July and August of this year giving tradecraft and surveillance training to LIPAILS 5 and 7 from Monterrey. Although this is not a direct contribution to the above objective, it is considered sufficiently related to mention here.

4. In addition to his contributions to the above objectives, SCANTLING is used for miscellaneous support requirements from the Station. For example, SCANTLING is now handling LIEMBROIL-2 and will continue to do so until the return of LIMOTOR-14 in June 1962. Also, during the past project year, SCANTLING handled the LIRICE surveillance team until July 1961 when Simon D. CLACKETT (ps) returned to Mexico City. SCANTLING is also used to spot and rent safe houses and apartments for other Station operations.

5. As stated in the preceeding Requests for Project Renewal, although SCANTLING's LIEMPTY Project objectives can never be completely fulfilled, it is the Station's opinion that SCANTLING has made important and valuable contributions to LIEMPTY Project objectives specifically and to other Station activities in general. SCANTLING's production, measured against monetary expenditures, case officer time and other intangible factors, unquestionably justifies his continuation as an integral part of Project LIEMPTY.

B. Raymond H. GERENDE Segment (discussed in relation to project objectives):

1. "To collect operational information pertaining to LIMERICK personnel and physical facilities through use of photographic base houses." Three photographic bases, LIMITED, LILYRIC and LICALLA, contribute to this objective. To avoid repetition, the Station is omitting the usual description of the functions of these three bases and how they contribute to the above objective. There has been no change in the coverage as described in the 1960 Request for Project Renewal.

2. "To collect operational information and identify operational leads pertaining to Station targets of opportunity." The LIENTRAP operation, handled by GERENDE, is still the major contributor to this

objective. In addition to performing numerous photographic assignments in support of other Station operations, LIENTRAP devoted nearly four months, on a fulltime basis, to coverage of the LIERODE operation. For several weeks the entire "take" from the LIERODE target was recorded from the LIENTRAP vehicle. Later, the LIENTRAP agents operated the LIERODE technical gear from the initial LIERODE stationary base.

3. "To provide operational support to Station operations, i.e., rent hotel rooms and apartments, and conduct counter-surveillances." GERENDE is used frequently to rent hotel rooms and apartments for other Station operations and activities. GERENDE's comprehensive area knowledge and personal operational capabilities combine to make him an extremely valuable Station asset for such support activities. GERENDE also procures and services post office box letter drops for the many Station operations requiring them.

4. The quality and quantity of operational information produced by the photographic bases and other activities under GERENDE's control and supervision is considered worthwhile. The Station concludes, therefore, that this segment of the LIEMPTY Project should be continued.

C. Relationship to Related Mission Directive Objectives:

As stated in the previous project renewal, it can readily be noted that Project LIEMPTY has provided support to many Station operations and in this manner has been a contributing factor to the furthereance of the Related Mission Directive. The project has not produced any positive intelligence nor has it been intended that it should do so. The project's sole purpose is to provide a mechanism for the development of operational information in support of other Station operations.

II. CHANGES

There have been no changes in the LIEMPTY Project during the past project year except that SCANTLING relinquished control of the LIRICE (formerly LIJERSEY) surveillance team in July 1961 in accordance with previous plans.

III. EFFECTIVENESS

There has been no change in Project LIEMPTY which would alter the validity of the remarks made in Section III of last year's project renewal request.

IV. PROBLEMS

The security problem in connection with the LICALLA operation, which was described in last year's renewal request, is still present but has not caused any known difficulty. At Headquarters suggestion in HMMW-9736, the LICALLA base was reactivated on 29 May 1961. The base operator has been cautioned to be ever alert for any unusual incidents which might indicate that the base has been compromised. This is the only problem experienced by the LIEMPTY Project during the past project year.

V. PLANS

The Station considers that the project is now operating at its optimum size and does not plan to expand it during the coming year. Rather, efforts will be devoted to refining and better utilizing the existing project organizational arrangements.

VI. COSTS

A. Past Project Year - Station finance records indicate that Project LIEMPTY expended $21,458.00 during Fiscal Year 1961 (1 December 1960 - 30 June 1961) and has thus far during Fiscal Year 1962 (through 30 September 1961) expended about $11,000.00. It is anticipated that about $8,000.00 will be expended during the last two months (October and November 1961) of the project year. This will make a total expenditure during the project year of about $40,500.00, or some $12,500.00 under the budget estimate of $53,000.00.

B. Ensuing Period - Of the total $49,500.00 budget, itemized below, $29,500.00 should be expended during the remainder of Fiscal Year 1962 and the balance, $20,000.00 should be expended during Fiscal Year 1963. Normal accounting procedures will be used for all expenditures.

AGENT	U.S. $ PER ANNUM	
Raymond H. GERENDE	$ 5,520.00	
Oliver G. SCANTLING	5,000.00	
Louise J. MACRINO (@ $2.02 per hour)	1,500.00	
LIEMPTY-4	2,200.00	
LIEMPTY-5 (@ $1.75 per hour)	1,000.00	
LIEMPTY-6	3,000.00	
LIEMPTY-7 (No Salary)	-0-	
LIEMPTY-8	2,000.00	
LIEMPTY-9	3,000.00	
LIEMPTY-10	3,900.00	
LIEMPTY-11	2,800.00	
LIEMPTY-12	2,000.00	
LIEMPTY-13	2,000.00	
LIEMPTY-14	2,000.00	
LIEMPTY-19	1,000.00	
LIEMPTY-24 (No Salary)	-0-	
Christmas Bonuses 1961	2,580.00	
SUB-TOTAL		$ 39,500.00

OPERATIONAL EXPENSES		
Maintenance of MV-2279, 2284 and 2286.	$ 2,000.00	
Procurement of Safehouses, post office boxes and renting automobiles.	1,000.00	
Purchase of information, identification documents, and bribes.	500.00	
SUB-TOTAL		3,500.00

OPERATIONAL EQUIPMENT		
Repair, maintenance and purchase of replacement photographic equipment.	$ 1,000.00	
SUB-TOTAL		1,000.00

REAL ESTATE

Rent, utilities and maintenance
of following safehouses:

*LIMITED	$ 3,000.00	
*LICALA	1,500.00	
LILYRIC	1,000.00	
SUB-TOTAL		5,500.00
GRAND TOTAL		$ 49,500.00

*LIMITED and LICALLA rents are returned to the Station by LIMOUSINE and credited to Station miscellaneous receipts.

VII. EMERGENCY CONDITIONS

Please refer to last year's request for project renewal and HMMA-15982, 23 November 1960, and HMMA-15981, 23 November 1960

50-6-74/1

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING

ACTION	
MARKED FOR INDEXING	
NO INDEXING REQUIRED	X
ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
ABSTRACT	
MICROFILM	

TO: Chief of Station, Mexico City

INFO:

FROM: Chief, WH Division

SUBJECT: LIEMPTY/Project Renewal

ACTION REQUIRED - REFERENCES

The LIEMPTY Project will expire on 30 November 1961. It is requested that your recommendation for renewal be pouched to reach Headquarters by 1 November 1961.

END OF DISPATCH

Distribution:
2 - Mexico City

DATE TYPED: 6 September 1961

DATE DISPATCHED: 8 SEP

CROSS REFERENCE TO:

DISPATCH SYMBOL AND NUMBER: HMMW-10074

HEADQUARTERS FILE NUMBER: 50-6-74/1

CLASSIFICATION: SECRET

1 - RI
1 - WH/Registry
1 - WH3/Mexi/Chrono

ROUTING
RI/AN D.K.
RI/TY
WH/3/MEXICO

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT
WH/3/Mexico	J.A. Brooke 7 Sept 61	bj AC/WH3/Mexico	2555

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
C/WHD		J. C. KING

10074

FORM 53 USE PREVIOUS EDITION. REPLACES FORM ... WHICH MAY BE USED

DISPATCH

14-00000

DISPATCH

CLASSIFICATION: SECRET

PROCESSING: NO INDEXING REQUIRED — X

TO: Chief of Station, Mexico City

INFO:

FROM: Chief, WHD

SUBJECT: LIEMPTY Project Renewal

ACTION REQUIRED REFERENCES

HMMA-14793, 8 April 1960

1. The LIEMPTY Project Renewal was approved on 3 February 1961 for a total of $53,000; $31,900 in fiscal year 1961 and $21,100 in fiscal year 1962.

2. No comments were made by the coordinating Staffs.

END OF DISPATCH

Distribution:
2 - Mexico City

DATE TYPED: 13 February 1961

DATE DISPATCHED: 15 FEB 1961

CROSS REFERENCE TO:

DISPATCH SYMBOL AND NUMBER: HMMW-9491

HEADQUARTERS FILE NUMBER: 50-6-74/1

CLASSIFICATION: SECRET

ORIGINATING

OFFICE	OFFICER	TYPIST		EXT
WH/3/Mexico	C. Wehrum	mew	C/WH/Mexico	2555

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME
C/WH/Mexico		

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
C/WHD	2/14/61	Paul P. Payton

USE PREVIOUS EDITION. REPLACES FORM 610b WHICH MAY BE USED. (40)

DISPATCH

14-00000

DISPATCH

CLASSIFICATION: SECRET

TO: Chief of Station, Mexico City

INFO:

FROM: Chief, WH Division

SUBJECT: LIEMPTY/Request for Project Renewal

ACTION REQUIRED - REFERENCES

ACTION: See below

REFERENCE: HMMW-8515, 25 February 1960

PROCESSING		
PROPOSED	ACTION	ACCOMPLISHED
	MARKED FOR INDEXING	
X	NO INDEXING REQUIRED	
	ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
	ABSTRACT	
	MICROFILM	

Project LIEMPTY expires on 30 November 1960. It is requested that your recommendation for renewal be pouched as soon as possible.

END OF DISPATCH

Distribution:
2 - Mexico City

CROSS REFERENCE TO

DATE TYPED: 15 November 1960

DATE DISPATCHED: 18 NOV 1960

DISPATCH SYMBOL AND NUMBER: HMMW-9261

HEADQUARTERS FILE NUMBER: 50-6-74/1

CLASSIFICATION: SECRET

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT
WH/3/Mexico	R. Hultslander	bj C/WH/3/Mexico	2555

1 - WH/Registry
1 - WH/3/Mexico/Chrono

WH/3M

COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
C/WHD		J. C. KING.

FORM 53 USE PREVIOUS EDITION. REPLACES FORM 610 WHICH MAY BE USED. (40)

DISPATCH

14-00000

DISPATCH

CLASSIFICATION: SECRET [redacted]

DISPATCH SYMBOL AND NO.: HMMA-15979 / [redacted]-1842

HEADQUARTERS FILE NO.: 50-6-74/1

TO : Chief, WH Division

INFO

DATE: 18 November 1960

FROM : Chief of Station, Mexico City

RE "433" - (CHECK "X" ONE)

- MARKED FOR INDEXING
- X NO INDEXING REQUIRED
- INDEXING CAN BE JUDGED BY QUALIFIED HQ DESK ONLY

SUBJECT - LIEMPTY Project Renewal

ACTION REQUIRED - Renewal of Project

REFERENCE(S)

Attached are the requisite number of copies of the Request for Renewal of Project LIEMPTY.

Willard C. Curtis
Willard C. CURTIS

16 November 1960

Attachment:
As stated above. (Even pages forwarded herewith)
(Odd pages under separate cover)

Distribution:
3 - WHD (with five copies of attachment)
2 - Files (with one copy of attachment)

RECORDS OFFICER STAMP
The following action is authorized: de-Regret
Signed: [signature]
R.O. #650 - Unit WH/1/K
Note: If destruction, cite reasons and coordinate if appropriate.

CS COPY

50-6-74/1

FORM 10-57 53 (40) USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.

CLASSIFICATION: SECRET [redacted]

CONTINUED

PAGE NO.

SECRET

CRYPTONYM: LIEMPTY	HEADQUARTERS CASE OFFICER:
OPERATING DIVISION: WH	Charlotte L. Zehrung
FIELD STATION: Mexico City	ROOM NO.: 1015 Barton Hall
	EXTENSION: 2555/3162
TARGET AREA: Mexico	DATE: 13 December 1960

1. It is requested that the LIEMPTY Project be renewed for the period 1 December 1960 through 30 November 1961 for a total of $53,000; $31,900 for fiscal year 1961 and $21,100 for fiscal year 1962. The LIEMPTY Project was programmed for $85,000. During the past project year, approximately $59,880 was obligated.

2. This Project provides operational support to the Station and is not a source of positive intelligence. Examples of operational data developed through this project are given in paragraph I of the attached Station Review of Project LIEMPTY. There have been no disseminations made at Headquarters of intelligence produced through LIEMPTY.

3. The only training provided LIEMPTY personnel during the period under review was given to Raymond H. GERENDE. He is being given training in basic flaps and seals techniques so that the Station will have a trained agent outside the Station who will be able to provide this service if required. No further training for GERENDE or any of the other LIEMPTY agents is being contemplated for the coming year.

4. Attached for the information of the Staffs is a dispatch from the Station (HMMA-14793) dated 8 April 1960 which answers the questions raised at the time of the last renewal.

5. With reference to Paragraph VII, Emergency Condition, contained in the attached Project Review, the Mexican desk has on record in the permanent file of Raymond H. GERENDE and Oliver G. SCANTLING, the details of emergency recontact instructions which have been agreed upon between the Station and each Agent.

SECRET

SECRET

6. It is requested that the LIEMPTY Project be renewed on the basis of the attached Project Review.

COORDINATION:

Ned P. Holman, AC/WH/3

C. W. Anderson, WHD Proj. Officer

Approved for Transmittal : J. C. King, C/WHD

12/30/60
DATE

ATTACHMENTS: (4)
Review of Project LIEMPTY
Copy of HMMA-14793
Form 680
Folder with past renewals

SECRET

14-00000

SECRET /[redacted]

REVIEW OF PROJECT LIEMPTY

(For the Purpose of Project Renewal)

COVER SHEET

CRYPTONYM LIEMPTY FIELD CASE OFFICER Quinton N. OUSLER

STATION Mexico City CHIEF OF STATION Willard C. CURTIS

The attached project action is presented for approval for the period 1 December 1960 through 30 November 1961.

HMMA-15979 SECRET /[redacted] CS COPY

SECRET/[redacted]

REVIEW OF PROJECT LIEMPTY
(For the Purpose of Project Renewal)

I. CURRENT OBJECTIVES AND PRODUCTION

A. Oliver G. SCANTLING Segment (discussed in relation to project objectives):

1. "To collect operational information pertaining to LIMERICK personnel and physical facilities." SCANTLING has continued (See the last Project Review forwarded as an attachment to HMMA-14093, 13 November 1959) to provide worthwhile and significant information pertaining to the above objective. There follow a few examples of SCANTLING's production:

a. A detailed casing of the LIMERICK electrical power supply was forwarded to Headquarters as an attachment to HMMA-14496, 12 February 1960. The production of this type of operational information, which takes several weeks to compile accurately, illustrates the unusual talents possessed by SCANTLING together with his valuable contributions to the Station's operational information collection effort.

b. SCANTLING has been used frequently to follow up leads produced by LIFEAT/LIMERICK (now produced by LIENVOY). For example, in May 1960, LIFEAT indicated that the LIMERICK target was having considerable contact with an AGENCIA ROBLES concerning the handling of incoming and outgoing shipments. By discreet investigation, SCANTLING was able to provide the Station with additional pertinent information about the address, owner and type of business engaged in by the firm. Such information then becomes readily available for exploitation should a LIMERICK shipment of particular interest come to the attention of the Station.

c. SCANTLING is the Station's primary investigative asset for keeping track of current residence addressees of LIMERICK personnel. The Station considers it important from the counterespionage standpoint to maintain information on the location of all

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LIMERICK residences. In addition, specific targets are continually considered for LICOOL installations. A recent example of SCANTLING's efforts in this connection would be the spotting and acquisition of the LIMOTOR base in the same apartment building with LITALON -1. Contributions of this type operational information are quite time consuming due to the necessity for checking out several apartments that a LIMERICK individual may initially be considering as a residence.

2. "To collect operational information pertaining to other targets of opportunity, foreign official installations and personnel of intelligence interest operating in Mexico." As indicated below, SCANTLING is also extremely useful for collecting information on targets other than LIMERICK:

a. In March 1960 SCANTLING was instrumental in locating property adjacent to the LITABBY installation which the Station has since rented in anticipation of initiating photographic and technical operations. SCANTLING was able to accomplish this assignment only after a thorough casing and pretext investigations of the several pieces of property appropriate for such operations.

b. SCANTLING is also used to follow up sensitive leads in connection with LIFEAT and LIENVOY production from LITABBY and sister targets (See example as to type under I,A,1, b and c above).

c. SCANTLING was used as an investigative asset to determine the local address and exact employment of Gordon William GROVES (201-220025), a counterespionage case of interest to Headquarters and ODENVY.

3. "To exploit operational leads through recruitments debriefings, and surveillances." As examples of SCANTLING's contribution to this objective, the following cases are listed:

a. SCANTLING devoted a considerable amount of time to his attempts to locate Cesar GONZALEZ Sanchez, a known agent of a Communist Country. He followed various leads on GONZALEZ from March to August 1960 before

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GONZALEZ was finally identified and his Mexico City home and business addresses were ascertained. See HMMA-15626, 9 September 1960, for further details on this case.

b. The preliminary investigative work on a KUSODA case of priority interest was conducted by SCANTLING. During this investigation it was necessary for SCANTLING to travel to Aquascalientes, Guanajuato and Minatitlan to obtain the information required by Headquarters. See the attachments to HMMT-1416, 20 May 1960, for the results of the investigation.

4. In addition to his contributions to the above objectives, SCANTLING is used for miscellaneous support requirements of the Station. For example, SCANTLING handled several of Raymond H. GERENDE's (ps) operations while the latter was away from Mexico City during August and September 1960. Also, SCANTLING has been managing the LIJERSEY surveillance team since the departure of Simon D. CLACKETT in August 1960. It is hoped that SCANTLING can be relieved of this assignment as soon as the LITEMPO project is approved. SCANTLING has also been used to spot and rent safe houses for various Station operations, a valuable operational support service.

5. As stated in the preceeding Request for Project Renewal, although SCANTLING's LIEMPTY Project objectives can never be completely fulfilled, it is the Station's opinion that SCANTLING has made important and valuable contributions to LIEMPTY Project objectives specifically and to other Station activities in general. SCANTLING's production, measured against monetary expenditures, case officer time and other intangible factors, unquestionably justifies his continuation as an integral part of Project LIEMPTY.

B. Raymond H. GERENDE Segment (discussed in relation to project objectives):

1. "To collect operational information pertaining to LIMERICK personnel and physical facilities through use of photographic base houses." Together with their extensive photographic coverage of the LIMERICK target, the photographic bases also contribute other types of operational information:

a. LIMITED - This base compiles daily logs indicating all arrivals, departures and, where possible, identities of every person visiting or working at the LIMERICK target.

[redacted]

This information is particularly useful in keeping track of LIMERICK personnel and assisting with the identification of visitors to the installation. Also, LIMITED maintains a summary attendance list of LIMERICK employees on a daily basis; this enables the Station quickly to ascertain the presence or absence of an employee on any given day. Finally, one other significant service is performed by this base, the radio dispatching of the LIEMBRACE surveillance team on LIMERICK personnel and targets of opportunity. LIMITED's photographic coverage is still concentrated on visitors, as opposed to employees, to the LIMERICK installation. A recent example of the base's contributions to Station efforts is the case of Joseph Ralph MAURI. In this case, a LIENVOY lead indicated that an American might visit the LIMERICK target on a certain day. The base was alerted to dispatch the radio-controlled surveillance team on any person appearing to be an American. The results of this assignment were indicated in MEXI-6392 and several other cables. LIMITED was also able to provide photographs, which when compared with photographs provided by Headquarters, left no question as to MAURI's identity.

b. LILYRIC - This base's output of high-quality clandestine photographs has been in about the same quantity as last year. In addition, the base operator, LIEMPTY-14, prepares weekly reports on LIMERICK employees and their wives. LILYRIC also performs the assignment of noting and reporting the license plate numbers of all cars bringing visitors to the LIMERICK installation. LILYRIC photographs also are concentrated on visitors to the target, as opposed to employees. It should be noted that LILYRIC operates for photographic coverage during the hours from daylight to 1400 hours each day of the week except Sunday. The LIMITED base maintains photographic coverage from 1400 hours to darkness each day except Sunday.

c. LICALLA - As reported in previous correspondence, the LICALLA base contributes to the collection of operational information through photographic coverage of LIMERICK employees and their families. Also, the base operator,

LIEMPTY-9, supplies extremely worthwhile information pertaining to the apparent positions and jobs of the target employees. He accomplishes this objective by careful observation and analysis. LICALLA also maintains a daily attendance roster of all LIMERICK employees. LICALLA coverage of the target, both photographic and physical observations, enables the Station to keep abreast of LIMERICK personnel changes, a vital contribution to the Station's counter-espionage effort.

2. "To collect operational information and identify operational leads pertaining to Station targets of opportunity." The LIENTRAP operation, handled by GERENDE, is the major contributor to this objective. It has been possible for LIENTRAP to take photographs and to perform pretext investigations in support of numerous Station activities. The cases listed below are cited as examples:

a. In the case of Cesar GONZALEZ Sanchez (see I, A, 3, a, above) LIENTRAP was able to procure photographs of GONZALEZ at his Mexico City residence which, when compared to Headquarters provided photographs, left no doubt that GONZALEZ was the subject of interest to Headquarters.

b. LIENTRAP confirmed the identity of Olga CASTILLO de Ledon, a frequent visitor to the LIMERICK installation and an ardent supporter of the present Cuban regime, through a pretext investigation of the residents of an apartment building where CASTILLO was believed to live. Later, LIENTRAP supported the results of the investigation with excellent photographs of the subject.

3. "To provide operational support to Station operations, i.e., rent hotel rooms and apartments, and conduct counter-surveillances." GERENDE is used frequently to rent hotel rooms and apartments for other Station operations and activities. GERENDE's comprehensive area knowledge and personal operational capabilities combine to make him an extremely valuable Station asset for such support activities. GERENDE also procures post office box letter drops for the many Station operations requiring them.

4. It is the Station's conclusion that the money and case officer time expended on this segment of the LIEMPTY project is worthwhile and should be continued in view of the quality and quantity of operational information produced.

C. Simon D. CLACKETT Segment (discussed in relation to project objectives):

1. "To collect operational information and to identify operational leads pertaining to the LIMERICK target and Station targets of opportunity." During this project year the LIJERSEY surveillance team under the direction of CLACKETT began contributing to the Station's support efforts through pretext investigations and physical surveillances. Some examples of the team's work are listed below:

a. Rafael TISCHLER Guzman (201-64372) is a Guatemalan Communist which the team had under surveillance from November 1959 to April 1960. The surveillance, together with information acquired from other sources, eventually resulted in an unsuccessful recruitment attempt on TISCHLER.

b. Pericles FRANCO Ornes (201-64546) - FRANCO is a Dominican of interest to the Station. The LIJERSEY team devoted portions of five months, January to May 1960, collecting information on subject through physical surveillance.

c. Jose Maria "Chema" LOPEZ Valdizon (201-   ) was the subject of a physical surveillance during May and June 1960. LOPEZ was later deported from Mexico through the efforts of LITEMPO-2.

d. CLACKETT and the LIJERSEY team performed numerous pretext investigations on Station targets of opportunity and on three separate occasions during the project year served as a counter-surveillance escort for Station officers in other operations.

2. CLACKETT, just prior to his resignation in August 1960, spent about five weeks giving tradecraft and operational skills training to LITEA-1. Although not specifically covered by the project objectives, this ability on CLACKETT's part is considered a significant contribution to the Station's support efforts.

3. In view of CLACKETT's resignation, which was effective 31 August 1960, and the proposed transfer of the LIJERSEY team to the LITEMPO project, this segment of the LIEMPTY project will not be renewed. However, for the record, it is considered that the CLACKETT segment of LIEMPTY was worthwhile and the expenditure of Station assets in connection with LIJERSEY operations were justified.

D. Relationship to Related Mission Directive Objectives:

It can readily be noted that Project LIEMPTY has provided support to many Station operations and in this manner has been a contributing factor to the furtherance of the Related Mission Directive. The project has not produced any positive intelligence nor has it been intended that it should do so. The project's sole purpose is to provide a mechanism for the development of operational information in support of other Station operations.

II. CHANGES

A. Simon D. CLACKETT

The unexpected resignation of CLACKETT in August 1960 has necessitated the decision as how best to utilize the LIJERSEY surveillance team and still benefit from the training and experience gained by the team during the past year. As explained in the LITEMPO project outline, it was decided that the LITEMPO Staff Agent would have the time, the need and the requirements to handle and manage the LIJERSEY team on a regular basis; consequently, the Station believed that such a solution to this problem would permit the Station to continue to profit from CLACKETT's past efforts.

B. Oliver G. SCANTLING

Since CLACKETT's departure, SCANTLING has been handling the LIJERSEY team as an interim measure pending Headquarters approval of the LITEMPO project. SCANTLING has been exposed to, and likewise knows, only one of the team members, LIEMPTY-20. SCANTLING is known to L-20 only by an alias.

C. Personnel Changes

1. LIEMPTY-15 - Member of the LIJERSEY surveillance team - Transferred to Project LITEMPO and cryptonym changed to LITED-2.

2. LIEMPTY-16 - Member of the LIJERSEY surveillance team - Transferred to Project LITEMPO and cryptonym changed to LITED-3.

3. LIEMPTY-20 - Assistant Team Leader of LIJERSEY surveillance team - Transferred to Project LITEMPO and cryptonym changed to LITED-1.

4. LIEMPTY-25 - Most recent addition to the LIJERSEY surveillance team. Transferred to Project LITEMPO and cryptonym changed to LITED-4.

5. There have been no other personnel changes within the LIEMPTY project, excepting the resignations of Simon D. CLACKETT and Wilma J. FIORDALISI.

III. EFFECTIVENESS

A. General comments pertaining to the value of the project efforts to the Station's needs - The Station is of the opinion that its operations are only as good as the support mechanisms backstopping and contributing to them. The availability of unilateral support agents and organizations, such as the LIEMPTY Project, to investigate leads and to collect operational information is an indispensable ingredient to the Station's espionage and counterespionage objectives. The Station would be seriously handicapped in its operational activities should the support services of such agents as GERENDE, SCANTLING and the agents under their control be suddenly made unavailable.

B. LIMERICK Target - The basis for most of the Station's counter-espionage activities directed against the LIMERICK target require detailed knowledge of the identity, activities and fellow associates of LIMERICK personnel. The LIEMPTY photographic basehouses undoubtedly provide more of this type information than any other Station operation. The production from LIEMPTY photographic bases and from the LIENVOY project provide the Station with the large majority of LIMERICK leads.

C. Targets of Opportunity - The immediate availability of independent assets to perform investigations, photographic assignments and other essential types of support services in connection with Station targets of opportunity represent an operational advantage which this Station considers highly significant. It is due to such LIEMPTY assets that an agent can be sent to distant areas in Mexico to do investigations, that photographs can be made of individuals and places which are of operational interest and apartments and hotel rooms can be acquired in fictitious names in support of sensitive operations and activities.

D. Although the progress and success of any support project depends upon requirements from other Station operations, it must be concluded that Project LIEMPTY has indeed been effective during the past project year.

IV. PROBLEMS

A. Security - The activities of the LICALLA base were suspended in September 1960 as a direct result of the arrest of three KURIOT technicians by the Cuban Government. One of the technicians was known to have knowledge of the four LIMUST units (LICALLA is located in one of these units) and the Station considered it appropriate to suspend photographic operations pending resolution of the situation. At this time, there is no indication when LICALLA operations will be resumed. The LICALLA base operator has reported that there have been no unusual inquiries or other suspicious actions which might indicate that LICALLA has been compromised to LIMERICK personnel; however, such a possibility will exist until the release of the three technicians. No other security problems have occurred during the past year.

V. PLANS

A. Processing of Photographs - During the past year considerable progress has been made in the Station's handling, i.e., sorting, indexing, identifying leads and filing, of photographs produced by the several bases.

B. Photographic Techniques - The previous LIEMPTY Project Renewal Request indicated that the Station planned to try new techniques using HY-PAN film in night photography. HY-PAN film was used on a trial basis during daylight hours with poor results. Almost invariably, prints

from HY-PAN negatives were too grainy and, consequently, were of little use in producing good identified shots of individuals. In view of these experiments, night photography has not yet been attempted. It should be noted that Eastman Kodak's new TRI-X PAN film, which all bases and LIENTRAP now use, is superior to any film previously used by the Station for clandestine photography. The quality of all base photographs have been increased considerably as a direct result of this new film.

C. General Comments - The Station believes that the GERENDE segment is now operating under optimum organizational arrangments and there are no plans for expansion contemplated at this time. It is expected that SCANTLING will soon be relieved of his interim responsibility for the LIJERSEY team and can concentrate more on his investigative and casing activities. The transfer of the LIJERSEY team to Project LITEMPO reduced Project LIEMPTY activities by an appreciable amount. It is not planned, during the coming year, to expand present LIEMPTY activities.

VI. <u>COSTS</u>

A. Past Project Year - Station finance records indicate that Project LIEMPTY expended $19,120.91 during Fiscal Year 1960 (1 December 1959 - 30 June 1960) and has thus far during Fiscal Year 1961 (through 31 October 1960) expended $16,734.69. Contract Agents salaries and allowances paid by Headquarters bring the total expenditures for 11 months of the project year to approximately $50,000.00. An additional $4,000.00 will be obligated during the 12th month of the project year. This will bring total project expenditures to about $54,000.00 for the entire project year.

B. Ensuing Period - Of the total $53,000.00 budget, itemized below, $31,900.00 should be expended during the remainder of Fiscal Year 1961 and the balance, $21,100.00, should be expended during Fiscal Year 1962. Normal accounting procedures will be used for all expenditures.

AGENT	U.S. $ PER ANNUM	
Raymond H. GERENDE C-32143	$ 5,040.00	
Oliver G. SCANTLING C-26803	4,560.00	
Louise J. MACRINO C-41452 (@ $2.02 per hour)	2,500.00	
LIEMPTY-4 C-31872	2,000.00	
LIEMPTY-5 C-58482 (@ $1.75 per hour)	1,500.00	
LIEMPTY-6 C-29948	2,800.00	
LIEMPTY-7 No Salary C-38075	-0-	
LIEMPTY-8 C-38074	1,800.00	
LIEMPTY-9 C-56699	2,800.00	
LIEMPTY-10 C-5598	3,600.00	
LIEMPTY-11 C-41439	2,500.00	
LIEMPTY-12 C-36226	1,800.00	
LIEMPTY-13 C-46945	1,800.00	
LIEMPTY-14 C-61168	1,800.00	
LIEMPTY-19 C-74579	1,000.00	
LIEMPTY-24 No Salary C-75022	-0-	
Christmas bonuses all personnel	2,500.00	
SUB-TOTAL		$ 38,000.00

OPERATIONAL EXPENSES

Maintenance of MV-2279, 2284 and 2286.	$ 2,000.00	
Operational Travel	500.00	
Procurement of Safehouses, post office boxes and renting automobiles.	2,000.00	
Purchase of information, identification documents, and bribes.	2,500.00	
SUB-TOTAL		$ 7,000.00

OPERATIONAL EQUIPMENT

Repair and maintenanceof camera equipment.	$ 500.00		
Purchase of replacement photographic equipment and supplies.	2,000.00		
SUB-TOTAL		2,500.00	

REAL ESTATE

Rent, utilities and maintenance of following safehouses:

*LIMITED	$ 3,000.00		
*LICALLA	1,500.00		
LILYRIC	1,000.00		
SUB-TOTAL		5,500.00	
GRAND TOTAL			$53,000.00

*LIMITED and LICALLA rents are returned to the Station by LIMOUSINE and credited to Station miscellaneous receipts.

VII. EMERGENCY CONDITIONS

As regards the requirement listed in CSI-F No. 230-60, Annex A, for communications arrangments in the event of "Emergency Conditions," the Station does not anticipate that this project would or could continue to function under its present objectives. However, both principal agents, SCANTLING and GERENDE, would very possibly be worthwhile sources of information to maintain contact with under any adverse conditions. Both of these agents identify themselfs, in terms of ideology, motivation and perspective, more as Americans than as Mexican nationals (which they are). It is reasonable to assume, therefore, that SCANTLING and GERENDE would become valuable contacts in any emergency situation.

14-00000

The Station is aware that the previous project renewal stated that emergency communications arrangments were being made. The Station has finally obtained the U.S. addresses of relatives through whom GERENDE and SCANTLING could be contacted under most situations. This information will be forwarded separately.

COPY

DISPATCH	CLASSIFICATION: SECRET	DISPATCH SYMBOL AND NO: HMMW-8515
TO : Chief of Station, Mexico City INFO		HEADQUARTERS FILE NO: 50-6-74/1
FROM : Chief, WHD		DATE
SUBJECT - LIEMPTY Project Renewal		RE "43" - (CHECK "X" ONE) MARKED FOR INDEXING NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ DESK ONLY
ACTION REQUIRED: Paragraph 2 - Please submit detailed review of usefulness and value of the photo basehouses. Are three justified?		
REFERENCE(S): HMMA-14093, 13 November 1959		

1. The LIEMPTY Project was renewed on 8 January 1960 for the period 1 December 1959 through 31 November 1960 for a total of $84,910; $48,485 for fiscal year 1960 and $36,425 for fiscal year 1961.

2. The following staff comments were made during the renewal process:

a. KUDESK notes that the CI value of the project is difficult to judge since it appears that much of the material produced remains in the Station for exploitation. However, KUDESK remarks that the value of the project should be increased when the CLACKETT surveillance team enters into active operation. KUDESK suggests that the Station be queried as to the pretext or circumstances under which SCANTLING frequently visits Ines Parada de Moreno, the occupant of the property adjacent to the Soviet installation.

b. KUTUBE/OPS notes that while the project review presents a clear picture of the aims and objectives of the various segments, it does not provide, except in the case of SCANTLING, detailed indication of the value or usefulness of the other segments, particularly the photographic activity. KUTUBE/OPS requests that the Station provide such an appraisal during the first quarter of 1960. KUTUBE/OPS recommends strongly that the photo coverage be reviewed from the standpoint of value and usefulness with a view to determining whether the LILYRIC activity could not be safely eliminated and the additional photographic coverage conducted on a more selective basis, without materially affecting overall usefulness. KUTUBE/OPS notes that, in the absence of further proof of usefulness, the color photography and moving pictures appear to be an unnecessary luxury. KUTUBE/OPS commends the careful handling of the CLACKETT segment and requests that the next project action include examples of the team's progress.

3. The TVA approval for the additional vehicle was forwarded under Dispatch No. HMMS-1211. The MV number assigned by JBECHO is MV 2320. The usual Delegation of Procurement authority is being forwarded by JBECHO channels.

OLIVER G. GALBOND

19 February 1960

Distribution:
3 - Mexico City
1 - WH/Mailroom
1 - WH/Log
1 - WH/3/Mexico Chrono
~~1 - RI~~

WH/3/Mexico/E.I. SCALETTI:jmh

FORM 10-57 53 (40)	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE	CLASSIFICATION: SECRET	CONTINUED	PAGE NO

14-00000

DISPATCH	CLASSIFICATION SECRET/[redacted]K	DISPATCH SYMBOL AND NO. HMMA-14093 [redacted]K-1733
TO Chief, WH Division INFO		HEADQUARTERS FILE NO. 50-6-74/1
FROM Chief of Station, Mexico City		DATE 13 November 1959
SUBJECT Renewal of Project LIEMPTY		RE: "43-3" — (CHECK "X" ONE) MARKED FOR INDEXING X NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
ACTION REQUIRED Renewal of Project LIEMPTY		
REFERENCE(S)		

Attached is a review of Project LIEMPTY activities during the past year.

Renewal of the project is requested.

Willard C. CURTIS

QNOusler/vps
10 November 1959

Distribution
3 Hqs w/5 copies of attachment

RECORDS OFFICER STAMP
The following action is authorized: [illegible]
Signed: [illegible]
R.O. [redacted] - Unit: [illegible]
Note: If destruction, cite reasons and coordinate if appropriate.

50-6-74/1

USE PREVIOUS EDITION REPLACES FOR 51 28 51 28A WHICH ARE | CLASSIFICATION | CONTINUED | PAGE NO.

14-00000

SECRET

MEMORANDUM FOR: Chief, FI

SUBJECT: Project LIEMPTY Renewal

HEADQUARTERS CASE OFFICER

Name C. Zehrung
Room 2121 Barton
Ext. 2555
Date 9 December 1959

1. It is requested that the LIEMPTY Project be renewed for the period 1 December 1959 through 30 November 1960 for a total of $84,910.00; $48,485.00 for fiscal year 1960 and $36,425.00 for fiscal year 1961. LIEMPTY was last approved for the period 1 December 1958 through 30 November 1959 for a total of $95,380; of which it is estimated $74,259 has been obligated.

2. It is requested that the Project be renewed on the basis of the Project review prepared by the Station which is attached.

3. The security incident referred to in paragraph IV.B on page 6 of the attachment, occurred on 20 September 1959. While on an operational assignment LIEMPTY/10 and the LIENTRAP vehicle were temporarily detained by the Servicio Secreto de Mexico (Mexican Secret Service). At the time of the incident the LIENTRAP vehicle was carrying out an assignment of photographing a Cuban rally which it was expected would be attended by many of the leading Mexican and Central American Communists. The police were also covering the meeting for the purpose of preventing a Communist-inspired demonstration and they searched LIENTRAP believing it might contain Communist propaganda. When they saw the film they seized the film, the truck and LIEMPTY-10 with the belief the Communists had filmed some rough-handed techniques used by the police against some persons attending the rally. LIEMPTY-10 was held under unofficial custody for approximately 26 hours before his release was obtained. When a member of the Station using State Department cover intervened with the police on behalf of LIEMPTY-10, the film, LIENTRAP, and all the equipment were also returned in tact. LIEMPTY-10 had not been interrogated and had not been formally charged or booked. Although the FBI representative and the U.S. Embassy Security Officer also learned of the incident, the Station does not believe that this incident has materially effected the security of the Project. The Station, however, is allowing a one month's cooling off period for the LIENTRAP vehicle and LIEMPTY-10.

Attachments:
- Project review (in quad)
- Envelope with past renewals
- Memo Justification of Purchase of Auto
- Form 680 (in quad)
- Envelope with true names

for R.N. DAHLGREN, C/WH/III

C.W. ANDERSON, WH/FI

for J.C. KING, C/WHD

DATE 14/XII/59

SECRET/[redacted]

PROJECT REVIEW

CRYPTONYM LIEMPTY FIELD CASE OFFICER Quinton N. OUSLER

STATION Mexico City CHIEF OF STATION Willard C. CURTIS

Based on the attached REVIEW OF PROJECT LIEMPTY, it is requested that the Project be renewed for the period 1 December 1959 through 30 November 1960.

SECRET[redacted]

60-6-74/1

REVIEW OF PROJECT LIEMPTY
(For the Purpose of Project Renewal)

I. PRODUCT OF THE PROJECT

A. Oliver G. SCANTLING Segment (discussed in relation to project objectives):

1. "To collect operational information pertaining to LIMERICK personnel and physical facilities." During the past year SCANTLING has devoted a significant amount of time to the furtherance of this project objective. Although other Station operations and personnel are also concerned with the collection of operational information about LIMERICK personnel, SCANTLING's contributions are unique as to type and complement information received from other sources. For example, SCANTLING is used primarily as the source of information about LIMERICK physical facilities. He is constantly on the alert for building modifications, construction activities and the kinds of outside services utilized by the LIMERICK installation. He regularly visits Inez PARADA de Moreno, the occupant of property adjacent to LIMERICK, for the purpose of obtaining a close view of the interior grounds of LIMERICK and to debrief Senora de Moreno about any unusual activities which she may have observed. At the present time SCANTLING is preparing a thorough casing report on the electrical power supply used by LIMERICK and all other residences and establishments in the same block. This operational information is intended for KURIOT's use and will show all transformers in the block, electrical meters for measuring the amount of electrical power used and the precise points where wires enter each property. Because of his other sensitive activities and because other operational activities provide adequate coverage, SCANTLING has been used sparingly for physical surveillances and investigations which might conceivably impair his future usefulness to the Station. During the time he spent training Simon D. CLACKETT (ps) in radio controlled mobile surveillance, SCANTLING did perform some surveillance work at the LIMERICK installation; however, it was concerned mostly with briefing CLACKETT on dispatching techniques and the procedures used for the control of several vehicles on a surveillance team using two-way radios.

2. "To collect operational information pertaining to other targets of opportunity, foreign official installations and personnel of intelligence interest operating in Mexico." By far the most important contribution made by SCANTLING in connection with this project objective has been his support to the LITACIT operation and just recently actually gained entry to the LITACIT target using a pretext cover story. During this visit SCANTLING managed to collect highly valuable operational information about the security of the installation, which has added materially to KUBARK's knowledge about the target. SCANTLING has also cased and prepared reports on the LITABBY target in anticipation of mounting

a photographic surveillance and in initial preparation for a future LINIMENT type activity. SCANTLING has performed investigations of numerous other Station targets of opportunity which, depending on their significance, have been reported in separate correspondence.

3. "To exploit operational leads through recruitments, debriefings and surveillances." This objective was included in the LIEMPTY project because SCANTLING is used to follow up LIFEAT leads and leads obtained from the LIEMPTY photographic bases. During the past year SCANTLING has investigated a quantity of leads obtained from the above sources. The information resulting from these investigations has enabled the Station to maintain current data on the various firms used by the LIMERICK target and in one instance, Octavio VIDALES (201-), caused the Station to make a recruitment pitch in an effort to carry out a technical penetration of the LIMERICK target. Although VIDALES was not recruited, the Station anticipates that SCANTLING will some day be successful in just this type of activity. SCANTLING is the Station's principal source for the follow-up of LIFEAT/LIMERICK and LIEMPTY photographic base house leads as they pertain to the primary target.

4. Not covered by a specific project objective but, nevertheless, of significant importance to the Station are SCANTLING's contributions to the overall Station support efforts. In addition to the extensive training given to CLACKETT, SCANTLING also prepared a detailed and sophisticated radio dispatch procedure for use by the LIEMBRACE surveillance team. He devised a superior method for numbering streets which enables the radio surveillance team to specify a location without reference to street names and areas. The entire radio dispatch code, when used properly, practically defies identification as the conversations of a clandestine surveillance team. From the standpoint of Station security, SCANTLING conducted an investigation of LIVESTOCK-2 based on two leads which were 30 years old and reported significant information which contributed to the Station's final decision to terminate LIVESTOCK-2. SCANTLING's other support activities consist of renting hotel rooms and apartments in fictitious names, supporting operations such as LICOOL-12 by performing sentry duty and by serving as a capable and responsible cutout between the Station and agents from other geographical areas.

5. Although SCANTLING's LIEMPTY objectives can never be completely fulfilled, it is the Station's opinion that SCANTLING has made important and valuable contributions to LIEMPTY Project objectives specifically and to other Station activities in general. SCANTLING's production, measured against monetary expenditures, case officer time and other intangible factors, unquestionably justifies his continuation as an integral part of Project LIEMPTY.

B. Raymond H. GERENDE Segment (discussed in relation to project objectives):

1. "To collect operational information pertaining to LIMERICK personnel and physical facilities through the use of photographic base houses." This continuing objective is carried out by three photographic base houses, LIMITED, LILYRIC and LICALLA. During the project year, LIMITED produced approximately 3600 photographs and LILYRIC about 4500 pictures of individuals entering and leaving the LIMERICK target. Most of these photographs were of non-LIMERICK individuals of which only a small, but significant, percentage could be identified through license plate checks or other types of routine investigation. The LICALLA base produced approximately 4300 photographs during the year. Most of the LICALLA photographs were of LIMERICK employees and their families and have been of considerable value in maintaining current and accurate listings of LIMERICK personnel in Mexico. The LICALLA base has recently begun taking motion pictures of LIMERICK personnel conversing in the garden area. These movies are being forwarded to KUTUBE/D for the possible exploitation of lip reading analysis. The LIMITED base, in addition to its photographic assignment, is also used as the radio central for dispatching the LIEMBRACE surveillance team on LIMERICK personnel targets. All bases make routine reports on the daily attendance of LIMERICK employees at the installation which facilitates the Station's reporting on the arrival and departure of LIMERICK personnel. Also, the bases devote time to reporting the personal associations among the numerous LIMERICK employees. Some of this latter type information is valuable from the standpoint of confirming that LIMERICK intelligence officers have a tendency to associate with their colleagues.

2. "To collect operational information and identify operational leads pertaining to Station targets of opportunity." This is a broad objective and one which is contributed to by the LIENTRAP operation. LIENTRAP is used to provide photographic coverage of important Station targets which do not justify a more permanent photographic base. During the period under review, LIENTRAP has been used for the timely coverage of various Central American exile group activities, the Confederacion de Trabajadores de la America Latina (CTAL) headquarters, several counterespionage targets, the LITACIT and LITABBY targets and other one-time operations of intelligence interest. The operational information produced by LIENTRAP is used by the Station for increasing operational knowledge about a target and, when appropriate, has been incorporated in separate reports to Headquarters with other information about specific targets.

3. "To provide operational support to Station operations, i.e., rent hotel rooms and apartments, and conduct counter-surveillances." GERENDE, because of his area knowledge and operational acumen, is used frequently by the Station for renting hotel rooms and apartments in fictitious names for use on other Station operations. He is also the Station's principal procurer of local Post Office boxes for use as letter drops. This objective pertains entirely to the operational support of other Station operations and is an invaluable ingredient to the security of important Station activities.

4. The production of operational information as represented by LIMITED, LILYRIC, LICALLA and LIENTRAP is an important adjunct to the Station's coverage of the LIMERICK target and Station targets of opportunity. It is the Station's conclusion that the expenditure of KUBARK assets, i.e., money and case officer time, is justified and that these activities should be continued.

C. Simon D. CLACKETT Segment (discussed in relation to project objectives):

1. "To collect operational information and to identify operational leads pertaining to the LIMERICK target and Station targets of opportunity." Very little production has been realized from this objective in terms of CLACKETT's contributions. CLACKETT returned to Mexico in early April 1959 after receiving surveillance, tradecraft and photography training in Headquarters. He then spent the rest of April, May and part of June being trained by SCANTLING in mobile surveillance techniques. Then LIEMPTYs 15, 16, 17 and 20 were placed under his supervision and he began training these agents in the arts of foot surveillance and mobile surveillance. This team, known as the LIJERSEY team, is just beginning to show the excellent effects of CLACKETT's intensive training sessions. Although LIEMPTY-17 has resigned and the team consists of only four agents, including CLACKETT, the Station believes that the team will be ready within the next month to begin its contributions to the above objective.

2. Based on the training time devoted to CLACKETT and to the LIJERSEY team and the anticipated production during the coming project year, it is the Station's opinion that this activity should be continued.

II. <u>EXTENT TO WHICH THE RELATED MISSION DIRECTIVE HAS BEEN FURTHERED.</u>

Project LIEMPTY has provided support, in varying ways, to a majority of Station operations and in this manner has been a contributing factor to the furtherance of the Related Mission Directive. The project is not intended nor designed to produce positive intelligence; its sole purpose is to provide a mechanism for the development of operational information in support of other Station operations.

III. <u>PROGRESS OF THE OPERATION AND PLANNING FOR THE FUTURE.</u>

A. Oliver G. SCANTLING Segment:

1. SCANTLING's duties and responsibilities are basically the same now as they were when the original LIEMPTY project outline was submitted. Since SCANTLING is the only major factor in this part of LIEMPTY, progress, other than covered in the above section on production, can be measured only by the fact that SCANTLING is a year older and has acquired a few more helpful tricks of the trade

and, consequently, has increased his own operational abilities.

2. Insofar as future planning is concerned, SCANTLING will continue to devote the greater portion of his time to the LITACIT operation. In addition, he will continue his work against the LIMERICK target, i.e., investigating LIFEAT and photographic base house leads in connection with the objectives of the LIEMPTY and LIMESA projects. The Station still plans to maintain SCANTLING as an independent Station asset free from the responsibilities of supervising other agents and operations.

3. SCANTLING will probably continue providing administrative support to LIEMPTY-3 (now covered under the LICOOL project), but will not be responsible for the operational direction of L-3.

B. Raymond H. GERENDE Segment:

1. During the past year the three photographic base houses have been trained in the use of a faster type film (HY-PAN) to facilitate the taking of photographs on dark cloudy days. One base, LICALLA, has made tests and recently begun making 35mm color slides using the new fast type Ektachrome film. This film is now processed in the Mexico Station dark room which heretofore was not possible. It is the Station's opinion that a few color photographs of target personnel will be useful for identification purposes. The LICALLA Base has also, during the past year, begun taking 16mm motion pictures in color with the expectation that Headquarters can eventually provide lip reading analysis of conversations taking place in the garden area of the LIMERICK installation.

2. Other operational progress has been made in connection with relieving GERENDE of responsibility for the LIJERSEY surveillance team. This now leaves GERENDE with a sufficient amount of time to supervise all photographic base houses, LIENTRAP and the outside photographic laboratory.

3. Future planning in relation to this segment does not call for expansion. Rather, the Station plans to perfect some of the photographic procedures now in use and to experiment with night photography possibilities using the fast HY-PAN film with telephoto lens of varying lengths. GERENDE will also concentrate on increasing the security and communications procedures used with each base.

C. Simon D. CLACKETT Segment:

1. CLACKETT's assumption of responsibility for the LIJERSEY surveillance team has been a progressive step for the development of an additional and much needed support asset. Although the LIJERSEY team has been in existence for several years, it was only during the past year, with the assignment of

CLACKETT, that an intensive effort was made to train the team members and to place them under the supervision of a full time team leader. As mentioned above, CLACKETT has done an excellent job during the past few months in getting the team ready for future operational assignments.

2. The Station plans, during the coming year, to increase the strength of the LIJERSEY team by at least two agents and one car. This would then give a total LIJERSEY complement of six agents and three radio cars. The Station will continue to take all necessary precautions not to rush the development of the team nor to give it assignments which are too complicated and too difficult. It is anticipated that the team will begin some surveillance work within the next month on targets connected with plans for an expanded Communist Party penetration program.

IV. PERFORMANCE OF PRINCIPAL AGENTS IN TERMS OF PRODUCTION, SECURITY AND COVER.

A. Oliver G. SCANTLING - As should be expected from a well trained and motivated agent, SCANTLING's production during the period under review was excellent. His production is in the category of operational information rather than positive intelligence and is based on leads and investigations given him by the Station. He never fails to do a thorough and detailed job on all assignments given to him. He is an unusually valuable principal agent. There have been no security problems or developments during the past year in connection with SCANTLING's assignments. Likewise, his cover is very good and places him in a position to maintain his work for KUBARK for many years to come.

B. Raymond H. GERENDE - Since GERENDE's marriage in December 1958, his performance has improved to a marked degree. He has become one of the Station's most dependable agents in terms of promptness for meetings, completing operational assignments as rapidly as possible and in doing any task, regardless of how menial it may be. Insofar as the Station and GERENDE know, his cover with LISTERINE's firm has held up very well. In fact, GERENDE recently was able to negotiate a sales contract with a customer having a very large sales capacity for the product manufactured by LISTERINE's firm. This, of course, endears GERENDE to LISTERINE in addition to contributing to GERENDE's cover employment. The only significant security incident pertaining, in part, to GERENDE was in connection with LIENTRAP (please see HMMA-13951, 16 October 1959, for details).

C. Simon D. CLACKETT - CLACKETT's performance has definitely measured up to the standards expected by the Station. He has proved that he is conscientious, dependable and very quick in grasping the details of clandestine activities. He will undoubtedly continue to improve his personal performance as

he gains more experience. There have been no security problems or incidents in connection with CLACKETT's assignment to this Station. Although the notional cover provided by Headquarters has held up very well during the past few months, the Station had hopes of placing him in LILABEL's firm and obtaining Inmigrante papers for him. However, for reasons mentioned in other correspondence, this cover arrangement did not work out. The Station is continuing efforts to locate another suitable local cover job for CLACKETT.

V. CONTACT AND COMMUNICATION.

A. Oliver G. SCANTLING - The Station Case Officer meets with SCANTLING on the average of three times each week. For regular meetings, a total of eight prearranged contact points are used alternately with SCANTLING "walking the beat" and being picked up by the Case Officer in the latter's car. This procedure enables both the agent and the case officer to check themselves and to check each other for possible surveillance. Meetings are generally of short duration, seldom more than 30 minutes, and are held in the car. It is possible for SCANTLING to get in touch with his case officer by telephone, and vice versa, in case an unscheduled meeting is necessary. SCANTLING and the Station are currently working on the details of an emergency means of contact utilizing SCANTLING's wife's relatives in PBPRIME. Headquarters will be advised of these arrangements to facilitate contact with SCANTLING in the event Mexico is overrun by hostile forces and contact with the Station is severed.

B. Raymond H. GERENDE - GERENDE's Case Officer meets with him five times each week. Meetings are conducted in the Case Officer's car using the same procedures as outlined above. GERENDE and his Case Officer have a total of 11 contact points in different areas of the city and generally hold their meetings during the early morning hours, usually about 0800. As in the case of SCANTLING, GERENDE and his Case Officer are preparing an emergency contact procedure which will facilitate Headquarters communications with him through his relatives in PBPRIME Headquarters will be advised of these arrangements just as soon as they are completed.

C. Simon D. CLACKETT - The Station Case Officer meets with CLACKETT on the averageof three times each week. The same type of communications procedures as used for SCANTLING and GERENDE are employed with CLACKETT.

VI. PERSONNEL.

A. Personnel dropped from the Project:

1. LIEMPTY-3 - Now carried under the LICOOL Project.

2. LIEMPTY-17 - Resigned. Termination report forwarded to Headquarters.

3. LIEMPTY-18 - Wife of LIEMPTY-3. Now carried under the LICOOL Project.

B. New personnel not previously listed under the Project:

1. LIEMPTY-19 - Position: Support Agent. Wife of Raymond H. GERENDE. OA granted 13 August 1959 per HMMW-7988, dated 19 August 1959, and amended per DIR-41523, 26 August 1959. See PRQ, Parts I and II, for additional information.

2. LIEMPTY-20 - Position: Agent member of LIEMPTY/LIJERSEY surveillance team. OA granted 2 July 1958 per HMMW-6572, dated 12 July 1958. See PRQ, Parts I and II, for additional information.

3. LIEMPTY-24 - Position: Wife of LIEMPTY-9. She does not receive a salary nor does she actively participate in LIEMPTY-9's activities. OA granted 14 September 1959 per HMMW-8099, dated 25 September 1959.

VII. ESTIMATED COST OF PROJECT FOR COMING YEAR.

Compensation: (Note: Sufficient funds are indicated to provide for later justified raises to agents.)

AGENT		U. S. $ PER ANNUM
Raymond H. GERENDE		$ 4,560.00
Oliver G. SCANTLING		4,200.00
LIEMPTY-4		2,000.00
LIEMPTY-5 at $1.75 per hour		2,500.00
LIEMPTY-6		2,500.00
LIEMPTY-7	No Salary	- 0 -
LIEMPTY-8		1,500.00
LIEMPTY-9		2,500.00
LIEMPTY-10		3,600.00
LIEMPTY-11		2,500.00
LIEMPTY-12		1,800.00
LIEMPTY-13		1,800.00
LIEMPTY-14		1,400.00
LIEMPTY-15		1,800.00
LIEMPTY-16		1,800.00
LIEMPTY-19		1,000.00
LIEMPTY-20		1,000.00
Wilma J. FIORDALISI		4,040.00
Louise J. MACRINO at $2.02 per hour		2,500.00
LIEMPTY-24	No Salary	- 0 -

Four additional agents at $2,000 per year		$ 8,000.00	
Simon D. CLACKETT -			
Salary	$ 7,750.00		
Quarters	1,800.00		
Education Allowance	360.00		
Travel	1,000.00	10,910.00	$ 61,910.00

Operational Expenses:

Automobiles (4 cars and 1 truck) (Maintenance, operational expenses, replacement of parts.)	$ 3,000.00	
Travel of agents by commercial carrier	500.00	3,500.00

Operational Equipment:

Purchase of one used auto for LIJERSEY Surveillance Team	$ 3,500.00	
Purchase of one base radio for LIJERSEY Team	1,000.00	
Repair and maintenance of radio and camera equipment	1,000.00	
Purchase of new photographic equipment and supplies	2,000.00	7,500.00

Real Estate:

Rent, utilities and maintenance of following safehouses:

*LIMITED	$ 2,500.00	
*LICALLA	1,500.00	
LILYRIC	1,000.00	5,000.00

*LIMITED and LICALLA rents are returned to the Station by LIMOUSINE and credited to Station miscellaneous receipts.

Funds for procurement and servicing of additional safehouses, post office boxes and renting automobiles	2,000.00

Exchange commodities (required as good will gifts)	$ 1,000.00
Damages (broken contracts, "key" money to obtain locations in choice areas, rent deposits, etc.)	2,000.00
Purchase of information, purchase of identification documents, payment of bribes, etc.	2,000.00
TOTAL	$ 84,910.00

50-6-74/1

14-00000

DISPATCH	CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. HMMW-8136
TO : Chief of Station, Mexico City INFO		HEADQUARTERS FILE NO. 50-6-74/1
FROM : Chief, WHD		DATE 6 OCT 1959
SUBJECT : LIEMPTY/Request for Project Renewal		RE "43" - (CHECK "X" ONE) MARKED FOR INDEXING X NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ DESK ONLY
ACTION REQUIRED : See below		
REFERENCE(S)		

Project LIEMPTY expires on 30 November 1959. It is requested that your recommendation for renewal be pouched so that it reaches Headquarters prior to 1 November 1959.

OLIVER G. GALBOND

1 October 1959

Distribution:
3 - Mexico City
1 - WH/Mailroom
1 - WH/3/Mexico
1 - RI

WH/3/Mexico/M.C.HAWKINS:ngs

CS COPY

50-6-74/1

FORM 10-57 53 (40) USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE	CLASSIFICATION SECRET	CONTINUED	PAGE NO.

14-00000

DISPATCH

CLASSIFICATION: SECRET [redacted]

DISPATCH SYMBOL AND NO: HMMW 7899

HEADQUARTERS FILE NO: 201-119523 / 50-6-74/1

TO: Chief of Station, Mexico City

INFO:

DATE:

FROM: Chief, WHD

RE "43 3" – (CHECK "X" ONE)
MARKED FOR INDEXING
X NO INDEXING REQUIRED
INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY

SUBJECT: – LIENVTY Project Amendment Raymond H. GERENDE (ps)

ACTION REQUIRED:

REFERENCE(S): HMMA-13063, 5 June 1959

1. On 16 July 1957, an amendment to the LIENVTY Project was approved granting permission to amend Raymond H. GERENDE's contract to provide him with a termination settlement of one month's salary for each full year that he works for KUBARK and to raise his salary effective July 1959 from $4,080 to $4,560 per year. No additional funds were requested for the Project.

2. A request to amend GERENDE's contract to include the benefits listed above has been submitted. You will be notified when the contract has been amended.

3. A copy of the approved Project amendment is attached for your information and records.

RECORDS OFFICER STAMP
OLIVER G. GALBOND
The following action is authorized: de-Rybat
Signed: Elrie Palmer
R.O. #530 – Unit WH/1/R
Note: If destruction, cite reasons and coordinate if appropriate.

21 July 1959

Attachment:
1 – (RYBAT)

Distribution:
3 – Mexico City
1 – WH/III/Mexico RYBAT Chrono
1 – Subject
2 – RI/CRO

WH/III/Mexico/E.I. SCALETTI:jmh

50-6-74/1

USE PREVIOUS EDITION REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE

53

CLASSIFICATION: SECRET [redacted]

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PAGE NO. 1

RECORD COPY

14-00000

DISPATCH	CLASSIFICATION: SECRET	DISPATCH SYMBOL AND NO.: HMMW-7522

TO : Chief of Station, Mexico City
INFO

HEADQUARTERS FILE NO. 50-6-74/1

FROM : Chief, WHD

DATE

SUBJECT : LIEMPTY Project Amendment

RE "43-3" - (CHECK "X" ONE)
MARKED FOR INDEXING
X NO INDEXING REQUIRED
INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY

ACTION REQUIRED

REFERENCE(S)
HMMA-12236

1. The LIEMPTY Project Amendment was approved on 30 March 1959 to include the addition of a contract agent, Louise J. MACRINO to furnish administrative support to the Project, and also to formalize a special commitment made to Oliver G. SCANTLING. No additional funds were approved under this amendment.

2. Attached for the Station's information and records is a copy of the approved project amendment request.

OLIVER G. GALBOND

3 April 1959

Attachment:
2 pages (KAPOK)

Distribution:
3 - Mexico City (w/a)
1 - WH/Mailroom (wo/a)
1 - WH/Mexico (wo/a)
1 - RI (wo/a)

WH/3/Mexico/E.I.SCALETTI:ngs

FORM 10-57 53 (40) USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.

CLASSIFICATION: SECRET

CONTINUED

PAGE NO.

CS C

DISPATCH	CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. HMMW-7342
TO : Chief of Station, Mexico City		HEADQUARTERS FILE NO. 201-163574 50-6-74/1
INFO		
FROM : Chief, WE		DATE 20 FEB 1959
SUBJECT : Operational/LI...TY-20		RE: (CHECK "X" ONE) MARKED FOR INDEXING
		X NO INDEXING REQUIRED
ACTION REQUIRED None, for your information.		INDEXING CAN BE JUDGED BY QUALIFIED HQ DESK ONLY

REFERENCE(S): HMMA-11114, 6 February 1959 (...)

1. Headquarters appreciates the reference dispatch which forwarded a revised PRQ, Part II, on LI...TY-20 and requests that operational approval be amended for his use under the LI...TY Project. In view of the fact that the Station plans to use Subject in a surveillance capacity, his original clearance, granted on 2 July 1958, authorizes use under the LI...TY Project.

2. ...... has been notified of Subject's present Project status and has been requested to note the change of cryptonym.

3. In view of the fact that the Station has not made any outstanding commitments to LI...TY-20 and because the LI...TY Project authorizes the recruitment of a surveillance team, it is not necessary to take formal action to include Subject under the Project at this time.

WALTER G. ......

16 February 1959

Distribution:
3 - Mexico City
1 - WH/Mexico Chrono
1 - WH/Mailroom
1 - RI
1 - 50-6-74/1

WH/III/Mexico/M.Therrien:jle

CS C...

50-6-74/1

FORM 10-57 53 (40) USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE	CLASSIFICATION SECRET	CONTINUED	PAGE NO.

14-00000

DISPATCH	CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. HMMA-12236
TO Chief, WH Division INFO		HEADQUARTERS FILE NO. 201-85613 50-6-74/1
FROM Chief of Station, Mexico City		DATE 19 February 1959
SUBJECT LIEMPTY/Louise J. MACRINO		RE "433" - (CHECK "X" ONE) MARKED FOR INDEXING X NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
ACTION REQUIRED Extend Subject's contract and include under LIEMPTY		
REFERENCE(S) HMMW-7263, 13 February 1959		

1. The Mexico City Station regrets overlooking the expiration of MACRINO's contract. During recent months, she has been able to work only a limited amount because of ill health (primarily a heart condition). Most of her work during the past eight months has been devoted to typing selected information reports on report mats and doing routine non-sensitive translation work.

2. It is requested that MACRINO's contract be renewed for one year with the same salary and other provisions. She can appropriately be placed under the LIEMPTY project as a Station support asset. For project administrative purposes, she is being assigned the LIEMPTY/23 cryptonym. Station believes that sufficient LIEMPTY funds are already available to cover her salary payments during the remainder of the LIEMPTY project year.

Willard C. CURTIS

QNO/vps
19 February 1959

Distribution
3 Hqs

File 50-6-74/1
Liempty/Dev & Plans

FORM 10-57 53 (40) USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE

CLASSIFICATION SECRET

CONTINUED

PAGE NO.

DISPATCH	CLASSIFICATION: SECRET	DISPATCH SYMBOL AND NO.: HMMA-12155
TO: Chief, WH Division INFO:		HEADQUARTERS FILE NO.: 201-233889 50-6-74/1 201-229407
FROM: Chief of Station, Mexico City		DATE: 11 February 1959
SUBJECT: LIEMPTY/Change of Cryptonyms		RE "43-3" — (CHECK "X" ONE) MARKED FOR INDEXING X NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
ACTION REQUIRED: Change cryptonyms as requested below.		

REFERENCE(S)

HMMW-7257, 30 January 1959, Paragraph 5.

It is requested that the cryptonyms of the individuals named in paragraph five of reference be changed to LIEMPTY/21 and LIEMPTY/22 respectively.

Willard C. Curtis
Willard C. CURTIS

QNO/vps
9 February 1959

Distribution
3 Hqs

1) noted crypt books
2) " Cards
3) " WH/Reg
4) " WH/CA

50-6-74/1

USE PREVIOUS EDITION REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE

CLASSIFICATION: SECRET

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14-00000

3 February 1959

MEMORANDUM FOR: Chief, FI/OPS

FROM : Chief, WHD

SUBJECT : LIEMPTY Project

1. Reference is made to your comments on the LIEMPTY Project which was approved on 16 January 1959.

2. The LIEMPTY Project provides for the development of the former LIJERSEY surveillance team, the maintenance of photo surveillance bases, and other support facilities for the Mexico City Station. In their review of the Project before it was approved, FI/OPS suggested that WH Division consider a gradual reduction of the considerable financial and personnel commitments in this project in view of the favorably developing LIENVOY liaison relationship. FI/OPS believed that a smaller, more manageable support group with greater emphasis on selectivity of tasks and targets could well result in more effective CI and FI productivity.

3. The Mexican desk wishes to point out that rather than reducing the assets carried under the LIEMPTY Project, WHD believes that this project is an extremely important one and should receive Headquarters support. The only other Station surveillance teams, LIVESTOCK and LIEMBRACE, are both known to the Mexican authorities. Therefore LIEMPTY remains the Station's only secure surveillance asset. It is a very small untrained unit at present, but through this project it will be developed into a useable, valuable asset.

4. We are not passing FI/OP's comment to the field, because WH Division believes that unilateral assets should not be reduced in favor of liaison. First, the liaison has not yet been firmly established. Secondly, even with a good liaison relationship, the Mexican services must be considered anything but secure, and certainly could not be trusted with any sensitive operations. Thirdly, because of its proximity to the United States, and the activity of hostile intelligence groups there, the Mexico City Station is called upon to support many very sensitive operations which we would never wish to reveal to the Mexican authorities.

5. Experience in other latin

LIEMPTY
[illegible]

5. Experience in other latin American countries where liaison has been established, has shown that many Station's tend to reduce their unilateral operations and capabilities in favor of the liaison. Under these circumstances, the production of the Stations have often been at the mercy of the liaison service and a change in the attitude of the service toward cooperating with this Agency has left these Stations virtually helpless. We certainly cannot recommend that the Mexico Station reduce any of it's unilateral support assets in favor of a proposed liaison relationship.

J. C. KING
Chief, WHD

Distribution:
Orig & 1 - Addressee
1 - WH/Mexico Chrono
1 - Subject File

WH/III/Mexico/CZehrung:jck

14-00000

DISPATCH	CLASSIFICATION: SECRET	DISPATCH SYMBOL AND NO: HMMW-7257

TO: Chief of Station, Mexico City

HEADQUARTERS FILE NO: 201-229407; 50-6-74/1

FROM: Chief, WHD

DATE:

SUBJECT: Operational/LIEMPTY Project Approval

RE: "43-3" — (CHECK "X" ONE)
- MARKED FOR INDEXING
- X NO INDEXING REQUIRED
- INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY

ACTION REQUIRED:

REFERENCES: HMMA-11257

1. The Field Project Outline submitted with HMMA-11257 was approved on 16 January 1959 without change, for the period 1 December 1958 through 30 November 1959 for a total of $95,380; $65,580 for the current fiscal year and $29,800 for fiscal year 1960.

2. An amendment to the original request for project approval was submitted before the original project was approved. This amendment requested approval to include Simon D. CLACKETT (ps) and Wilma J. FIORDALISI (ps) under the LIEMPTY Project effective 1 January 1959 and remove them from the LIMESA Project. The funds designated in the original FPO for the undesignated Staff Agent were used to cover the expenses for CLACKETT and FIORDALISI. Therefore no additional funds were requested for the project in this amendment. The approval on 16 January 1959 included this project amendment. A copy of the amendment request is being forwarded for your information and records.

3. Among the Staffs' comments on the LIEMPTY Project, the following recommendations were made. KUDESK suggested that the Case Officer should work at devising ostensible sources of incomes for the agents which will stand the scrutiny of friends, relatives and less friendly forces.

4. An amendment to CLACKETT's contract has been requested to allow for a quarters allowance. The educational allowance requested in paragraph 11 of the project amendment was disapproved because CLACKETT was a Contract Agent. The Quarters Allowance of $2,500 was turned down because it was too high in relation to CLACKETT's salary. Therefore, a quarters allowance of $1,800 has been approved and will be written into CLACKETT's contract. If, however, operational and cover reasons require CLACKETT to rent an apartment larger than the one he would normally obtain under his allowance, the Chief of Station can authorize the extra rent as an operational expense which will not be considered as compensation for CLACKETT and therefore not subject to federal income tax.

5. Please advise Headquarters whether you wish to have the cryptonyms for CLACKETT and FIORDALISI charged to LIEMPTY's.

OLIVER G. GALBOND

26 January 1959

Attachment: Project amendment (RYBAT)

Distribution:
- 3 - Mexico City
- 1 - WH/Mailroom
- 1 - WH/3/Mexico
- 2 - RI (50-6-74/1)

CS COPY

WH/3/Mexico/E.I.SCALETTI:ngs

50-6-74/1

FORM 10-57 53	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE	CLASSIFICATION: SECRET	CONTINUED	PAGE NO.

14-00000

DISPATCH

CLASSIFICATION: SECRET [redacted]

DISPATCH SYMBOL AND NO.: HMM-A-11257 / [redacted]X-1472

HEADQUARTERS FILE NO.: 50-6- /1

TO: Chief, WH Division

INFO:

FROM: Chief of Station, Mexico City

DATE: 8 October 1958

SUBJECT: Operational
LIEMPTY Field Project Outline

RE "43" — (CHECK "X" ONE)

	MARKED FOR INDEXING
X	NO INDEXING REQUIRED
	INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY

ACTION REQUIRED: Headquarters expeditious approval of LIEMPTY

REFERENCE(S):
MEXI 2239, 29 August 1958
DIR 41362, 18 September 1958

1. Attached is the LIEMPTY field project outline, a new Station support project which supersedes the LIJERSEY Project and several portions of the LIPSTICK Project.

2. In addition to approval of LIEMPTY, Headquarters is requested to change the agent cryptonyms as indicated in Section 9 of the attached field project outline.

3. Also, it is requested that the Station be advised of the new LIEMPTY RI file number.

Willard C. Curtis
Willard C. Curtis

Encls. (Odd pages herewith
Even pages USC)

2/18
GNO/bct
2 Oct 58

Distribution
3 - Hqs w/atchmt
2 - Files

RECORDS OFFICER STAMP
The following action is authorized: RI - Kaput
Signed: Denise Palmer
R.O. #050 - Unit WH/I/R
Note: If destruction, cite reasons and coordinate if appropriate.

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50-6-74/1

USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.

CLASSIFICATION: SECRET [redacted]

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PAGE NO.

SECRET

MEMORANDUM FOR: FI/OPS - Projects Branch

CRYPTONYM : LIEMPTY

DIVISION : Western Hemisphere

STATION : Mexico City

HEADQUARTERS CASE OFFICER:

NAME: John B. Brady
ROOM: 2112 Barton Hall
EXT.: 2555
DATE: 24 November 1958

1. It is requested that the LIEMPTY Project be approved for the period 1 December 1958 through 30 November 1959 for a total of $95,380.00.

2. WH/Personnel has been requested to locate a Staff Agent to fill the BAP-8100 slot formerly under the LIPSTICK Project. This slot will be transferred to the LIEMPTY Project and will be filled by a person who will be responsible for the directions of the physical surveillance team under this project.

Robert N. Dahlgren
R. N. Dahlgren, C/WH/III

Charles W. Anderson
C. W. Anderson, WH/FI

for R. Gomez
J. C. King, C/WHD

2 Dec, 1958
Date

Attachments:
FPO (in quad)
Form 680 (in quad)
Table of Vehicular Allowance
Justification for Purchase of Automobiles
Envelope with true names

Att to HMMA-11257

SECRET

50-6-74/1

[redacted]

PROJECT OUTLINE

CRYPTONYM	LIEMPTY	FIELD CASE OFFICER	Clinton N. GOSLER
STATION	Mexico City	CHIEF OF STATION	Willard C. CURTIS

1. The attached project outline is presented for approval for the period 1 December 1958 through 30 November 1959.

2. Headquarters is requested to select a suitable contract or Staff Agent to replace Raymond H. GERENDE as leader of the LIJERSEY surveillance team. From the security standpoint, it is essential that GERENDE be relieved of this responsibility. The individual selected by Headquarters to fill the slot formerly occupied by Wilfred O. CLOWER (BAP-8100) should have had experience in surveillance operations and should speak Spanish fluently.

CS COPY

/ [redacted]

52-6-74/1

[redacted]

HMM-A-11257
[redacted]-1472

PROJECT OUTLINE

CRYPTONYM LIEMPTY

PART I

1. Area of Operations

The general area of operations will be Mexico and the specific area will be Mexico, D.F., Mexico.

2. Purpose

The purpose of this project is to provide a mechanism for the development of operational information in support of other Station operations. This purpose is in consonance with the Related Mission Directive for Mexico.

3. Background

As the reviewing authorities will be aware, this project includes several operations which were formerly carried under Projects LIPSTICK and LIJERSEY. Partially as a result of the June 1958 LIPSTICK compromise, when three surveillance team members were apprehended and placedin custody by the Mexican Police, and additionally as a means for the orderly administration of assets, this new project is submitted.

There follows below a background sketch of the separate support assets, excluding details concerning personnel which will be discussed later in the outline, which the Station proposes for inclusion in LIEMPTY:

LIMITED - The LIMITED Base is located in such a position across the street from the LIMERICK installation that photographs can easily be made of persons entering and leaving the LIMERICK main gate. These photographs are later developed and printed by LIEMPTY-4, then returned to the LIMITED operator for the proper annotations. After receipt of the photographs by the Station, the Case Officer reviews them for LIMESA leads, newly arrived LIMERICK personnel, local and other nationals of possible operational interest and PBPRIME citizens who have visited LIMERICK.

KUBARK owns the property housing the LIMITED Base, having purchased it in mid-1955; however, the ostensible owner is LIMOUSINE, to whom LIEMPTY-6 pays his rent each month through LIMOUSINE's bank.

LIMITED, with LIEMPTY-6 as base house operator, has been operating for nearly three years and has not yet been involved in a compromising security situation. Prior to April 1955, when Headquarters authorized the purchase of the LIMITED Base, the Station rented the Base and used LIPSTICK-7 (later LIMESTONE-6 in LIFEAT Project and now terminated) as the operator. This arrangement was in effect for about two years.

[redacted]

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[redacted]

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LILYRIC - This Base has been in operation for about two and one-half years and is located in an apartment building acros s the street from the LIMERICK installation. As in the case of the LIMITED Base, LILYRIC takes photographs of persons entering and leaving the main gate of the LIMERICK installation. The LILYRIC photographs are handled in the same manner as the LIMITED pictures. In addition to taking photographs, the LILYRIC operators also prepare daily logs on the activities of each LIMERICK employee, record the license plate numbers of most cars carrying people to and from the LIMERICK installation, and prepare an observation diary on all target personnel seen each day. (This permits the Station to tell when a target personality is out of town or not working for some other reason.)

The LILYRIC Base was originally acquired and made operative to provide for continuous coverage of the target in the event LIMITED is ever compromised. This is still the primary value of having two bases cover the same portion of the target. LILYRIC is compartmented from LIMITED and with the possible exception of GERENDE could probably weather any security flap involving LIMITED. Obviously, there is some duplication in the work of LIMITED and LILYRIC; however, the insurance value of having two basis is quite apparent.

LILYRIC has been operating for about two and one-half years and insofar as the Station knows, no compromising security situations have arisen.

LICALLA - The LICALLA Base is located in a position where photographs can be taken of people within the LIMERICK garden area. In addition, the operator of the LICALLA Base submits weekly reports on LIMERICK construction work, daily logs showing when a target individual was seen that day, and reports showing the association of target individuals with one another. LICALLA photographs are processed and handled in the same manner and by the people who handle the LIMITED and LILYRIC pictures.

The LICALLA Base was acquired and operations began about two and one-half years ago with the primary purpose of obtaining additional operational information concerning LIMERICK personnel, and operational leads which could be exploited for the physical penetration of the LIMERICK installation. Approximately one year ago the LICALLA Base was purchased by KUBARK through LIMOUSINE. LICALLA will probably remain at its present location and will continue to submit photographs and reports of the same type as are now being submitted. Other than the fact that LIEMPTY-9, the LICALLA operator, is the brother of former LIPSTICK-47, no security problems are currently known to the Case Officer. However, reports from LIPSTICK2 12 and 30, the local police, the attorneys involved in the case, the foreign embassy concerned and the LCFLUTTER tests give no indications that LIEMPTY-9 was ever mentioned during the LIPSTICK flap.

LIENTRAP - This is a panel type truck equipped with cameras, telescopic lens and other types of photographic equipment. It has been used during the past two years as an investigative asset. The truck is parked about 75 yards from a target of interest (usually a residence or apartment building) and the photographer in the rear of the truck photographs individuals or things of interest to the Station. LIENTRAP is a valuable asset for any station to have and has enabled this Station to get pictures of individuals which could have been obtained in no other way. LIEMPTYs-10 and 11 operate LIENTRAP.

[redacted]

52-6-74/1

[redacted]

The major security threat to LIENTRAP is the fact that it has been operating for about two years in all parts of the city and should soon be replaced by a truck of a different make. Provision for this is made in Section 15 of this Field Project Outline.

LIJERSEY - This is presently an approved project; however, it is believed advisable for administrative efficiency to include the LIJERSEY assets within the framework of the LIEMPTY Project. Other than LILYRIC, which has already been discussed, LIJERSEY consists of a foot surveillance team with three members, LIEMPTYs-15, 16 and 17. LIEMPTYs 15 and 16 have been employed for about one and a half years and LIEMPTY-17 for about one year. They have not developed into as competent a surveillance team as the LIPSTICK team was and probably never will become as good. The LIJERSEY team has been used mostly for stationary surveillances and observations of people of interest. LIEMPTY-17, however, has also been used as a pretext investigator. He has excelled at this type of work and the Station continues to use him in this capacity. The Station has been reluctant to use the LIJERSEY team as much as it could have been used because of the close association of the team with GERENDE and, in turn, GERENDE's knowledge and work on LIFEAT and the LIPSTICK surveillance team. The Station plans to recruit several agents of a type and social level more suitable for all types of surveillance work than the present LIJERSEY team.

Oliver G. SCANTLING - SCANTLING has been associated with KUBARK for several years in a number of different capacities. He was originally used as a member of the LIPSTICK surveillance team and later was head of the same team. He has been used to train new agents in the techniques of surveillance and investigation, to acquire office space and apartments for the Station's operations and to conduct investigations and make recruitment approaches to individuals of operational interest to KUBARK. SCANTLING is currently being used by the Station as an investigator of LIMESA leads and is still actively pursuing the LIMESA/MKLIGHTING operation. SCANTLING also maintains regular contact with LIEMPTY-3 and monitors his elicitation effort against the LICOOL-6 target. In this connection, both SCANTLING and LIEMPTY-3 meet regularly with Doris M. KILLGO for operational guidance. (Note: Please see the LICOOL Field Project Outline for additional details on LICOOL-6).

4. References:

a. LIPSTICK Project Outline and operational papers.
b. LIJERSEY Project Outline and operational papers.
c. Dispatch to follow in next pouch, Subject: Review of Raymond H. GERENDE's operational activities.

5. Objectives:

Oliver G. SCANTLING's activities:

a. To collect operational information pertaining to LIMERICK personnel and physical facilities.

b. To collect operational information pertaining to other targets of

[redacted]

[redacted]

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KAPOK-1472

opportunity, foreign official installations and personnel of intelligence interest operating in Mexico.

c. To exploit operational leads through recruitments, debriefings and surveillances.

Raymond H. GERENDE's activities:

d. To collect operational information pertaining to LIMERICK personnel and physical facilities through the use of photographic base houses.

e. To collect operational information and identify operational leads pertaining to Station targets of opportunity.

f. To provide operational support to Station operations, i.e., rent hotel rooms and apartments, and conduct counter-surveillances.

Staff Agent's activities:

g. To collect operational information and to identify operational leads pertaining to the LIMERICK target and Station targets of opportunity.

6. Targets:

Oliver G. SCANTLING - The primary target is, of course, the LIMERICK installation and personnel. However, SCANTLING devotes most of his time to following up LIFEAT leads which pertain to services provided the LIMERICK installation by individuals and firms, e.g. construction engineers, floor waxing firms, safe experts, furniture makers, interior decorators, etc. To an extent, these are considered targets of opportunity and it would be impossible to list specifically what future targets will be available. One specific target which SCANTLING is concerned with is the occupant of the LICOOL-6 apartment; however, LIEMPTY-3, whom SCANTLING handles, should more correctly be given credit for information produced on this target.

Raymond H. GERENDE - LIMITED, LILYRIC and LICALLA all have as their target the LIMERICK installation and personnel, plus any local nationals and PBPRIMERS who visit LIMERICK. LIENTRAP is concerned with targets of opportunity and follow-up investigations on operational leads obtained from other Station and Headquarters sources. The same targets apply to the LIJERSEY surveillance team as apply to LIENTRAP.

7. Tasks:

Field Case Officer - Quinton N. OUSLER

a. Supervise and direct the operational activities of Raymond H. GERENDE, Oliver G. SCANTLING, and the staff agent.

b. Provide guidance and maintain supervisory responsibility for all agents under GERENDE, SCANTLING and the staff agent.

[redacted]

[redacted]

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KAPOK-1472

c. Coordinate support requests from other Station Case Officers which involve either GERENDE, SCANTLING or the staff agent.

d. Process (indexing, traces, etc.) the photographic and other information from the LIEMPTY outside photographic assets.

e. Prepare operational and administrative correspondence pertaining to LIEMPTY.

Principal agent - Oliver G. SCANTLING:

a. Perform one man surveillances and investigations to identify individuals of operational interest.

b. Perform comprehensive anddetailed casings ofinstallations of interest to the Station and Headquarters.

c. Provide administrative support and some operational guidance to LIEMPTY-3.

d. Recruit individuals which have physical access to the LIMERICK installation (basically in support of LIMESA).

e. Spot prospective agent candidates for possible later use by the Station.

Agent - LIEMPTY-3

a. Cultivate and elicit information from the occupant of the LICOOL-6 apartment.

b. Where possible, broaden his contact with the LIMERICK people for the purpose of obtaining information concerning LIMERICK commercial matters in Mexico and to identify LIMERICK personnel who may be susceptible to defection and/or recruitment in place.

c. Support the LICOOL-6 technical operation by operating the recording machines and occupying the monitoring base as his family quarters.

Principal Agent - Raymond H. GERENDE

a. Manage and act as the Case Officer's principal in the supervision of LIMITED, LILYRIC, LICALLA, LIENTRAP, LIJERSEY surveillance teams (until relieved by new staff agent) and LIEMPTYs 4 and 5.

b. Set up and maintain proper clandestine communications procedures with all agents under his supervision.

c. Review periodically all aspects of his operations for possible security, personnel and management problems.

[redacted]

[redacted]

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KAPOK-1472

d. Prepare monthly activities reports for all projects under his supervision.

e. Perform investigations on targets of opportunity as directed by the Case Officer.

f. Until a replacement is located, monitor and process the LIFEAT BGMORNING and LIFEAT Cuban Exiles taps.

LIMITED Base House Operator - LIEMPTY-6

a. Photograph individuals of interest who enter and leave the LIMERICK installation through the main gate.

b. Prepare logs and other reports on individuals of interest who visit and/or work at the LIMERICK installation.

c. Maintain the cover of the Base as a family residence.

LILYRIC Base House Operators - LIEMPTYs 13 and 14

Same tasks as the LIMITED Base House Operator

Agent - LIEMPTY-12

a. Serve as a cutout between GERENDE and LIEMPTY-13, the LILYRIC Base House Operator.

b. Insure proper tradecraft procedures are employed by the LILYRIC base.

c. Spot and report on individuals who would make suitable agent recruits for the Station.

LICALLA Base House Operator - LIEMPTY-9

a. Photograph individuals of interest who appear in the garden area of the LIMERICK installation.

b. Prepare logs and other reports on individuals of interest who visit and/or work at the LIMERICK installation.

c. Maintain the cover of the Base as a family residence.

LIENTRAP - LIEMPTYs 10 and 11

a. Perform photographic and other investigative assignments as directed by the Station through GERENDE.

[redacted]

b. Protect the security of LIENTRAP and report all operational security developments involving the operation.

Staff Agent (to be selected by Headquarters)

a. Assume operational responsibility of the LIJERSEY surveillance team from GERENDE.

b. Develop the present LIJERSEY assets into a useable surveillance asset.

c. Train new surveillance team members in the art of discreet physical surveillance, including static, foot and mobile methods.

d. Spot, and where feasible, recruit new surveillance team members.

LIJERSEY Surveillance Team - LIEMPTYs 15, 16 and 17

a. Perform surveillances, pretext investigations and other investigative assignments as directed by the Station through GERENDE.

b. Strive constantly to improve their individual and collective investigative techniques.

Support Agent - LIEMPTY-4

a. Process and print film from LIMITED, LILYRIC, LICALLA and LIENTRAP.

Support Agent - LIEMPTY-5

a. Translate and type material as received from the Station through GERENDE.

8. Coordination:

This project will not require coordination with other field stations.

9. Personnel:

a. Pseudonyms and cryptonyms

(1) Raymond H. GERENDE, aka LIEMPTY-1 (formerly LIPSTICK-20), Position: Principal agent - Contract Agent

(2) Oliver G. SCANTLING, aka LIEMPTY-2 (formerly LIPSTICK-19), Position: Principal Agent Oral Contract effective February 1955.

(3) LIEMPTY-3 (formerly LIPSTICK-32), Position: Agent.

(4) LIEMPTY-4 (formerly LIPSTICK-38), Position: Support Agent

[redacted]

[redacted]

(5) LIEMPTY-5 (formerly LIPSTICK-40), Position: Support Agent

(6) LIEMPTY-6 (formerly LIPSTICK-14), Position: Agent, LIMITED Operator
Case contract effective November 1957.

(7) LIEMPTY-7 (formerly LIPSTICK-27), wife of LIEMPTY-6.

(8) LIEMPTY-8 (formerly LIPSTICK-28), son of LIEMPTY-6. Oral contract effective 1 December 1955

(9) LIEMPTY-9 (formerly LIPSTICK-39), Position: Agent, LICALLA operator.

(10) LIEMPTY-10 (formerly LIPSTICK-2), Position: Agent, Photo truck operator.
Case contract effective May 1955

(11) LIEMPTY-11 (formerly LIPSTICK-24), Position: Agent, Assistant photo truck operator.

(12) LIEMPTY-12 (formerly LIJERSEY-5), Position: Agent, cutout and spotter.
U.S. citizen.

(13) LIEMPTY-13 (formerly LIJERSEY-2), Position: Agent, LILYRIC Base House operator.

(14) LIEMPTY-14 (formerly LIJERSEY-12), Position: Agent, Assistant LILYRIC Base House operator. Wife of LIEMPTY-13.

(15) LIEMPTY-15 (formerly LIJERSEY-4), Position: Agent, LIJERSEY surveillance team member.

(16) LIEMPTY-16 (formerly LIJERSEY-8), Position: Agent, LIJERSEY surveillance team member.

(17) LIEMPTY-17 (formerly LIJERSEY-13), Position: Agent, LIJERSEY surveillance team member.

b. Personal Data:

Personal data on all personnel listed above have previously been provided to Headquarters, either in projects LIPSTICK or LIJERSEY or in each individual's PRQ, Parts I and II.

c. Operational Approvals:

(1) Raymond H. GERENDE, OA granted 29 February 1955, per HMMW-2067, dated 14 March 1955. C-32743

(2) Oliver G. SCANTLING, OA granted 2 December 1954, per HMMW-1894, dated 29 December 1954. C-26803

(3) LIEMPTY-3, OA granted 10 August 1956, file number C-46955, per HMMW-3412, dated 24 August 1956.

[redacted]

[redacted]

(4) LIEMPTY-4, OA granted 4 October 1956, file number C-51872, per HMMW-3593, dated 12 October 1956.

(5) LIEMPTY-5, OA granted 8 May 1957, file number C-58482, per HMMW-4521, 15 May 1957.

(6) LIEMPTY-6, OA granted 23 September 1954, per DIR 19215, 30 September 1954. C-29945

(7) LIEMPTY-7, OA granted 11 October 1955, per HMMW-2610, dated 25 October 1955. C-35075

(8) LIEMPTY-8, OA granted 14 October 1955, per HMMW-2622, dated 27 October 1955. C-35074

(9) LIEMPTY-9, POA granted 27 December 1956, file number C-56699, per HMMW-3940, dated 10 January 1957. OA dated 14 March 1957

(10) LIEMPTY-10, OA granted 10 April 1953, per HMMW-557, dated 23 April 1953. C-5578

(11) LIEMPTY-11, OA granted 14 September 1955, per HMMW-2542, dated 4 October 1955. C-41439

(12) LIEMPTY-12, OA granted 14 July 1955, per HMMW-2384, dated 22 July, 1955. C-36226

(13) LIEMPTY-13, OA granted 9 May 1956, per HMMW-3113, dated 22 May 1956. C-46945

(14) LIEMPTY-14, OA granted 16 October 1957, per HMMW-5402, dated 29 October 1957. C-61165

(15) LIEMPTY-15, OA granted 30 July 1956, and 15 December 1957 file number C-48284, per HMMW-3359, dated 8 August 1956.

(16) LIEMPTY-16, OA granted 14 February 1957, file number C-54098, per HMMW-4124, dated 20 February 1957.

(17) LIEMPTY-17, OA granted 23 September 1957, per HMMW-5282, dated 1 October 1957. C-62567

10. Cover:

a. Raymond H. GERENDE is the only LIEMPTY agent who has cover provided by KUBARK. GERENDE ostensibly is a salesman for LISTERINE's firm. However, he seldom spends any time pursuing his cover occupation, since his operational activities are so numerous and time consuming. GERENDE's cover with the LISTERINE firm was arranged by the Station and, so far, has been adequate for GERENDE's needs.

[redacted]

[redacted]

b. The Case Officer, Quinton N. OUSLER, is known only to GERENDE and SCANTLING. It would not be possible to develop a suitable cover story that would apply to the frequent meetings between the Case Officer and the Principal Agents; therefore, meetings are clandestine and are usually conducted in the Case Officer's car. However, suitable cover stories have been developed between the Case Officer and SCANTLING and between the Case Officer and GERENDE involving background information as to how we met and how our friendship developed, to be used in the event the Case Officer is apprehended with either of the Principal Agents.

c. None of the status cover occupations of any of the LIEMPTY agents is completely compatible with his operational activities. Action cover stories are decided upon before each assignment and devised to complement each agent's status cover as closely as possible. Base House operators, of course, generally conduct operational assignments within the confines of their quarters; consequently, the need for action cover stories is reduced. Appropriate cover stories exist between GERENDE and the agents in his network and between SCANTLING and LIEMPTY-3.

11. Contact and Communication:

Appropriate clandestine communications arrangements exist between the various echelons of LIEMPTY. At the present time these plans consist of regular and rapid-non scheduled (emergency) means of contact. GERENDE and SCANTLING are both in the process of preparing detailed written communications plans for their respective agents which include complete regular, alternate and rapid-non scheduled meeting arrangements. Provisions will also be made in these plans for oral recognition signals and physical bona fides that will enable a person unknown to the agent to contact him should the need ever arise. The Case Officer is currently working on a Warning System of Communications which will permit the expeditious exfiltration of GERENDE and SCANTLING from Mexico should a security situation arise which would necessitate this.

12. Control and Motivation:

a. Control - All LIEMPTY agents are local nationals. GERENDE and SCANTLING, both of whom spent a great deal of their childhood years in PBPRIME and still have relatives living in PBPRIME, are in many respects more pro-PBPRIME than many PBPRIME citizens. In the past, both GERENDE and SCANTLING have evidenced a high degree of loyalty to Matthew S. DINGLEY, their former Station Case Officer, and appear to be devoting that same loyalty to the present Case Officer. The control over GERENDE and SCANTLING stems directly from their pro-PBPRIME beliefs and their personal loyalty to their past and present Case Officers. The control over other LIEMPTY agents is based in part on pro-PBPRIME attitudes and on the financial remuneration and good handling they received from GERENDE and SCANTLING. Realistically, control over LIEMPTY agents is based on mutual understandings and confidence among individuals and should any agent decide to denounce PBPRIME or KUBARK, as the case may be, there is not much that the Station could do.

b. Motivation - With the exception of GERENDE and SCANTLING, whose primary motivations are ideological, financial compensation seems to be the basic motivational factor surrounding LIEMPTY agents.

[redacted]

[redacted]

13. Equipment and Other Support:

~~No special equipment or other support is required at this time.~~
See budgetary data sheet, pages 3 & 4 of key annexes.

14. Timetable:

The agents and operations listed in this project have previously been carried under the LIPSTICK and LIJERSEY Projects. It is the Station's understanding that the LIPSTICK Project was extended to 1 December 1958 to give the Station time to submit LIEMPTY. The LIJERSEY Project expires in 1959 or upon approval of LIEMPTY.

The LIEMPTY Project represents a major operational support asset of the Mexico City Station and, as such, will run for an indefinite period of time.

[redacted]

[redacted]

PROJECT OUTLINE

PART II

CRYPTONYM LIEMPTY

15. Estimated Cost:

Compensation:
(Note: Sufficient funds are indicated to provide for later justified raises to agents.)

Agent		US $ Per Annum	
Raymond H. GERENDE (to allow for possible raise)		$ 4,560.00	
Oliver G. SCANTLING		4,200.00	
LIEMPTY-3		2,000.00	
LIEMPTY-4		2,000.00	
LIEMPTY-5 @ $1.75 per hour		2,400.00	
LIEMPTY-6		2,400.00	
LIEMPTY-7 No Salary		- -	
LIEMPTY-8 No Salary		- -	
LIEMPTY-9		2,000.00	
LIEMPTY-10		3,600.00	
LIEMPTY-11		2,500.00	
LIEMPTY-12		1,800.00	
LIEMPTY-13		1,800.00	
LIEMPTY-14		1,250.00	
LIEMPTY-15		1,800.00	
LIEMPTY-16		1,800.00	
LIEMPTY-17		1,800.00	
Six additional agents @ $2,000		12,000.00	
Staff Agent (to be selected by Hqs)			
Salary	$8,330.00		
Quarters	2,500.00		
Education Allowance	640.00		
Travel	1,000.00		
Shipment of HHE	2,000.00		
		14,470.00	
Sub-total			62,380.00

Operational Expenses:

Automobiles (3 autos & 1 truck) Maintenance, operational expenses, replacement of parts.	2,500.00	
Travel of agents by commercial carrier	500.00	
Sub-total		3,000.00

[redacted]

14-00000

[redacted]

Operational Equipment:

Replacement of 2 LIJERSEY autos (MV-2148 & MV-2147)	6,000.00	
Replacement of SCANTLING's QP auto (MV-2041)	3,000.00	
Replacement of LIENTRAP (MV-2138)	2,500.00	
Purchase of 1 used auto for LIJERSEY surveillance	4,000.00	
Purchase of 3 two-way radios & one base radio for LIJERSEY team	2,500.00	
Repair and maintenance of cameras and radio equipment	500.00	
Purchase of new photo equipment and supplies	2,500.00	
Sub-total		21,000.00

Real Estate:

Rent, utilities and maintenance of following safehouses: Per Annum

* LIMITED	500.00	
*LICALLA	1,000.00	
* LILYRIC	1,000.00	
Sub-total		2,500.00
Funds for procurement and servicing of additional safehouses, post office boxes, or renting automobiles		2,000.00
Exchange commodities (required as godwill gifts)		500.00
Damages (broken contracts, "key" money to obtain locations in choice areas, rent deposits, etc.)		2,000.00
Purchase of information, purchase of identification documents, payment of bribes, etc.		2,000.00
TOTAL		$ 95,380.00 U.S.

*LIMITED and LICALLA rents are returned to the Station by LIMOUSINE and credited to Station miscellaneous receipts.

[redacted]

50-6-74/1

14-00000

[redacted]

HMM-A-11257
KAPOK-1472

16. Special Problems and Commitments:

a. No commitments, expressed or implied, have been made to any LIEMPTY agent by the present Case Officer, except as stated in the project outline and/or in the contracts of GERENDE and SCANTLING.

b. In the event of compromise to the local government of any LIEMPTY agent, KUBARK is morally responsible for doing all within its power, and within the limitations of security, for resettling or otherwise taking care of the LIEMPTY agents.

c. No special benefit commitments have been made to any LIEMPTY agent except those contained in the contracts of GERENDE and SCANTLING.

d. A change of government or political conditions in Mexico will not affect this project. It is a unilateral effort on the part of KUBARK.

CS COPY

[redacted]

50-6-74/1

14-00000

SECRET
(WHEN FILLED IN)

FROM: (Headquarters component)
WH

TO :

TO : (Station/Base)

FROM: (Division)

SUBJECT AND PROJECT FILE REQUEST AND FIELD NOTIFICATION OF ACTION

INFORMATION FOR REQUESTERS

COMPLETE ITEMS 1 THROUGH 12

ITEM 3—ALL FILE TITLES MUST BE STERILE SINCE THEY WILL APPEAR ON THE FIELD COPIES AND ON MACHINE LISTS

ITEM 6—ALL REMARKS MUST BE STERILE

ITEM 7 AND 8—USE FIRST THREE LETTERS OF DISPATCH SYMBOLS FOR FIELD STATIONS AND LIST HEADQUARTERS ELEMENTS ACCORDING TO ESTABLISHED NUMERIC CODES

ITEM 10—ENTER OLD TITLE WHEN AMENDING A TITLE. CITE ANY FILES, SUCH AS 201 OR PROJECT FILES THAT ARE RELATED TO THE FILE COVERED BY THIS REQUEST. ITEM 10 MAY ALSO BE USED TO GIVE REASONS FOR THE ACTION BEING REQUESTED, TO IDENTIFY THE TYPE OF MATERIAL TO BE PLACED IN A FILE OR TO MAKE OTHER EXPLANATORY REMARKS.

ITEM 11—A RECORDS OFFICER MUST SIGN ALL FILE ACTION REQUESTS. CONSULT YOUR RMO ON ANY PROBLEMS THAT ARISE.

INFORMATION CONCERNING FILE

1. TYPE OF FILE: [ ] SUBJECT [X] PROJECT

2. CODE (FILE) NUMBER

COUNTRY NUMBER	CATEGORY NUMBER	SPECIFIC SUBJECT NUMBER
50	6	74/1

3 FILE TITLE (SPECIFIC SUBJECT) (PROJECTS LIMITED TO 15 SPACES)

KDFACTOR

ACTION REQUIRED

4 ANALYSIS ACTION

	OPEN FILE		CLOSE FILE (INDICATE DISPOSITION)
X	AMEND FILE TITLE		REOPEN

5 DISPOSITION

	RETAIN		DESTRUCTION RECOMMENDED THRU (DATE)

6 REMARKS (FOR FIELD DISTRIBUTION)

FORMERLY LIEMPTY

7. INTERESTED STATIONS (PROJECTS ONLY)
HMM

8 INTERESTED HEADQUARTERS DESK (LIST ACTION DESK FIRST)
50

9. FILES ACTION

	HOLD IN CS FILES		RESTRICTED		UNRESTRICTED		PREPARE FOLDER AND SEND TO REQUESTER		CHARGE PERMANENTLY TO (OFFICER & DESK)

10. COMMENTS (INCLUDE SPECIAL HEADQUARTERS ROUTING INSTRUCTIONS)

11 ENDORSEMENT
SIGNATURE OF BRANCH/DESK R. O.

12 COORDINATION
SIGNATURE OF BRANCH/DESK R. O. (WHEN APPLICABLE)

13. RID APPROVAL
REQUEST APPROVED BY
Louis V. Armstrong
CI/DA

EFFECTIVE DATE

CODE (FILE) NUMBER

050	006	074/01

FORM 12-63 812 OBSOLETE PREVIOUS EDITIONS MFG. 2-64

SECRET

38

1—CS COPY

14-00000

SECRET
(When Filled In)

CASE FILE REQUEST

TO: RI/ANALYSIS SECTION | DATE: 24 October 1958

FROM: *(Requestor Name)* Charlotte Zehrung | COMPONENT: WH | BUILDING: Barton | ROOM NO.: 2120 | TELEPHONE: 2758

1. CASE TITLE

LIEMPTY/ Development & Plans

4. ACTION REQUESTED

X	OPEN FILE AS INDICATED.
	AMEND FILE AS INDICATED.
	CLOSE FILE
X	RESTRICT FILE TO (DESK) WH/III/Mexico
X	PERMANENT CHARGEOUT TO (DESK). WH/III/Mexico
	PREPARE FILE FOLDERS AND SEND TO REQUESTER.

2. COUNTRY AND NUMBER: 50 (Mexico)

3. CATEGORY AND NUMBER: 6 Operational

5. COMMENTS: *(Include brief description of file or project)*

Photo and physical surveillance coverage and support for station.

RECORD COPY

6. FOR RI USE ONLY

1. PROJECT STATUS A
2. FIELD STATION(S) MEXI
3. HDQRS COMPONENT(S) WH/III/M

7. ENDORSEMENT

THIS REQUEST SATISFIES RECORDS REQUIREMENTS.

[signature]
RI/ANALYSIS

EFFECTIVE DATE: 29 October 1958

8. APPROVAL

REQUEST APPROVED

[illegible]
FOR CHIEF, RI

RI CASE TITLE NUMBER

50	6	74/1	N.S.

FORM NO. 812 1 DEC 56 USE PREVIOUS EDITIONS.

SECRET